

**FY 2001**

**RESULTS REVIEW AND RESOURCE REQUEST**

**NEPAL**

**MARCH 1999**

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The R4 is a “Pre-decisional” USAID document and does not reflect results stemming from formal USAID reviews. Additional information on the attached can be obtained from:

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## **Please Note:**

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**Overview:** The USAID/Nepal mission continued to produce impressive results across its program in 1998. The political and economic problems which have slowed overall national development and the implementation of other donor programs, have had less impact on USAID programs. Mission activities rely heavily on NGO partners delivering quality interventions, directly to customers, at local levels. USAID achieved some regional and national level impacts this year as well as policy impacts in health, population, agriculture and forestry. Donor coordination continued to be an important ingredient of success in the USAID program.

The USAID/Nepal program promotes several U.S. national interests – economic prosperity, democracy and human rights, and the global issues of environment, population and health. The success of six of the eight MPP goals - economic development, open markets, democracy, environment, health and population – is dependent upon USAID development efforts. The agriculture and forestry program is key to promoting broad-based economic growth, a sustained global environment and the promotion of grassroots democratic institutions through user groups. The USAID health and family planning program contributes to stabilizing world population growth, protecting human health and reducing the spread of infectious diseases. The women's empowerment program is helping to improve democratic processes, support economic growth, improve the health of the population, as well as bolster human rights and reduce the endemic problem of trafficking in women and girls. USAID's special objective in hydropower contributes to reducing global warming, securing a stable environment and promoting U.S. business interests abroad.

USAID's agricultural and forestry activities combine support for rural grassroots development with high-level policy dialogue with the Government of Nepal (GON). Agricultural development is the only realistic engine of growth for Nepal's weak economy in the short to medium-term. The high-value crop model, which USAID pioneered in Nepal, has been formally adopted by the GON and continues to be replicated by government and other donor programs. USAID program successes have resulted in greater numbers of subsistence farmers increasing their incomes through production of high-value cash crops. In forestry, USAID's support to community forest user groups has helped improve the management of over 100,000 hectares of forest in Nepal. These groups are increasingly influential in shaping national level forestry policy.

USAID is assisting the GON to expand the availability of quality, voluntary family planning services to help reduce Nepal's high population growth rate. Total fertility (the average lifetime births per woman) is declining steadily. USAID health programs also focus on the control of diarrheal diseases and pneumonia, and on reducing the number of children with vitamin A deficiency. The programs have contributed to a sharp reduction in the under-five mortality rate. In addition, a new program in infectious diseases will improve the Ministry of Health's capacity to control vector-borne diseases and antimicrobial resistance, both of which have been increasing in Nepal.

USAID continues to pioneer assistance for women's empowerment and to strengthen Nepali women's ability to participate in social and economic growth by increasing literacy, knowledge of their legal rights and access to small loans to start businesses. This empowerment provides long-term, inter-generational benefits for Nepali society.

USAID's Special Objective in hydropower is improving the GON's capacity to administer sound hydropower development and the investment climate for critical, private investment. Power shortages continue to constrain economic development and inhibit foreign investments and the country continues to depend on biomass for 90% of its energy needs. This program should result in GON approval and licensing of privately financed hydropower projects with a total value of \$475 million, including several U.S. investors.

**Significant achievements in FY98:** USAID signed a new agreement with the GON on Infectious Diseases, confirming the commitment to improve the control of selected infectious diseases, with an emphasis on cross-border surveillance. The vitamin A program expanded to provide capsules to a total of 1.8 million children. The training program for Female Community Health Volunteers had further success in diagnosing and treating pneumonia. This program to treat acute respiratory infections is expanding at a much faster rate than expected because of the special efforts of USAID NGO partners who are now training, supervising, and monitoring the program in the new districts. At the National Health Training Center, USAID assistance helped increase the capacity for family planning training by 15% while reducing overall costs of the training by 10%.

USAID took the lead in a successful lobbying effort with the GON in the policy arena, to reverse a cabinet decision granting potentially disastrous monopoly rights to the parastatal Timber Corporation of Nepal (TCN). USAID staff, in coordination with other donors, NGOs and local action groups, pressured and negotiated with high level GON officials over several months and the U.S. Ambassador personally intervened with the Prime Minister. The result was a decision to reverse TCN's monopoly rights to harvest and market Terai timber.

USAID provided leadership to coordinate substantial financial support from the ADB and World Bank for irrigation transfer projects. USAID also worked closely with the World Bank and the GON to draft key documents required for the Power Development Fund, which could eventually provide \$100 million for hydropower development. USAID entered into a partnership with the U.N. to include 10,000 women from their "Parks and People" program in our women's empowerment program. USAID also had successful discussions with the German Development Bank (KfW) and DFID to assist with the costs of contraceptive/condom procurement for the national family planning program and HIV/AIDS control. Their critical support will help offset USAID funding shortages for this program.

**Country factors affecting program performance:** Economic growth in Nepal dropped to a mere 2–2.5 % annual increase in 1998, barely keeping pace with population growth, and putting at risk many of the potential benefits of poverty reduction programs in rural areas. Frequent changes in government (five formal governments in four years, and three different coalition governments in 1998) have resulted in the disruptive transfer of staff within the bureaucracy, impeding the progress of policy initiatives and implementation of programs which require line ministry approval. Corruption issues also continue to plague development agendas. However, USAID's local and international non-governmental partners have avoided some of the problems raised at the political center and are effectively implementing a broad-based economic growth strategy in rural Nepal. Despite these issues, the GON has remained a good development partner and progress is evident in several areas.

In 1998, the GON approved local governance legislation, which should translate the concept of local governance into operational reality in Nepal. The legislation decentralizes authority and makes units of governance more accessible and accountable to the electorate, builds capacity at the local level, provides a local tax base, and improves planning processes of local governments. The new Financial Intermediary Act, will allow NGOs, for the first time, to provide microfinance services. This will directly improve the access of Nepali women to savings and credit programs.

USAID involvement led the GON to develop the first-ever national guidelines for nutrition messages for infants, children, adolescents, and pregnant and lactating women. The GON also banned the advertisement of liquor and tobacco in the electronic media. Both actions are expected to have long-term public health benefits. Within the Ministry of Health (MOH), a positive commitment was made to work collaboratively with I/NGO partners implementing health and family planning programs and to designate a cell within the Department of Health Services to coordinate these programs. The MOH also committed itself to the expansion of the Acute Respiratory Infections program through partnership with I/NGOs, USAID, UNICEF and WHO.

While Nepal struggles to build a foundation and credibility for its nine-year old democracy, a succession of parliamentary governments has failed to deliver improvements in the quality of life to ordinary citizens. This has caused cynicism about democracy and fueled anti-government movements ranging from demands for the king to assume emergency powers to an armed, rural-based Maoist insurgency. The USAID program continues to support the democratic process, build a strong base for economic growth, and improve the lives of the people. Risks imposed by the Maoist insurgency in some districts have forced closure and relocation of some USAID supported programs, but to date the impact has been selective.

**Overall prospects for progress through 2001:** If the May 1999 elections result in a more stable government committed to aggressively and honestly pursuing a development agenda, the solid local achievements of USAID-supported programs will be facilitated and magnified. If a weak governance situation results from the elections and Maoist and other anti-government activities expand, even our reasonably insulated development programs will be affected.

Prospects for program success depend heavily on available resources. The FY99 reductions in funding levels for Nepal are resulting in a restructured, smaller assistance program driven by earmarks, not strategy. These budget reductions are casting an unfortunate shadow over the preparation of a new country strategy, which coincides with the 50<sup>th</sup> anniversary of USAID assistance to Nepal in 2001.

## **Strategic Objective 1: Increased Sustainable Production and Sales of Forest and High-Value Agricultural Products**

**Summary:** The program is helping increase agricultural and forest productivity in four ways: 1) improving productivity by supporting local control over forest and water resources; 2) providing rural households with knowledge of new crop varieties and sustainable agriculture technologies; 3) helping farmers target production to take advantage of strong market demands; and 4) promoting adoption of improved marketing practices. With greater knowledge of production and marketing systems and greater control over resources, rural families routinely report per hectare yield and sales increases of 300 to 700 percent as compared with subsistence technologies.

The program also strengthens grassroots democracy by providing training and institutional development assistance to farmer and forester groups. These groups provide practical experience with democratic procedures and valuable leadership opportunities for rural families with little previous exposure to democracy. More than 12,000 people have been elected to leadership positions in USAID supported forest, water and electricity user groups. Both women and men from these groups are using this experience to contest elected local government positions.

SO1's principal Intermediate Results are Expanded Market Participation and Sustainable Management of the Productive Resource Base, reflecting the integration of farm and forest activities. Expanded market participation is only possible in the long term if farmers use sustainable management practices and actively protect soil, water and forest resources.

The SO1 program contributes to three U.S. national interests: economic prosperity, global environment issues, and democracy. Correspondingly, the program is critical to four MPP strategic goals in Nepal: economic development, open markets, democracy and environment. The activities of this program are key components in the U.S. mission strategy to help alleviate poverty.

USAID's SO1 program is benefiting the lives of approximately 1.2 million people who reside principally in the Central, Mid-western and Western Development Regions of Nepal. Farmers and foresters benefit from new varieties and technologies that increase sales and from increased understanding of seasonal and regional marketing opportunities. Traders benefit from greater quantity and quality of produce and lower marketing losses. Consumers ultimately benefit from lower prices. Replication of the USAID high-value crop model by other donors and the GON, as called for in the 20 year Agricultural Perspective Plan (APP), broadens the impact of this program. The multiplier effects of these activities, combined with USAID interventions to improve the policy environment, have positive development implications for the agricultural sector as a whole. The SO1 program is on track and achieving desired results.

**Key Results:** The production of high-value forest and agricultural products correlates strongly with increased family income and with shifts from subsistence to market oriented production systems. Results from activities to support production were very good in 1998. Production of high-value products increased by 15% from 200,000 metric tons (MT) to 230,000 MT. Sales of these products increased from \$20.1 million to \$25.1 million, exceeding the target level by 22%.

Last year, 160,000 farm and forest households were engaged in high-value agricultural or forestry production, almost achieving the 1999 target. (Note that this indicator is now using “households” instead of “farmers” as the unit of measure to track production of high-value agricultural products.) Success in the forestry component of the program is reflected in the fact that community forestry production of biomass increased by 40% to 1.4 million cubic meters which exceeded target levels by over 300%. The number of groups managing forest or irrigation resources increased by 43% to 1,500 this year, 30% above the target level.

**Performance and Prospects:** Sales of high-value products exceeded target levels again this year in spite of Maoist violence in the Mid-western Development Region (MWDR), which forced the Mission to move a major technical assistance (TA) contractor (Chemonics) out of the Rapti Zone in July. The strong sales levels reflect the sustainability of the Chemonics program. Farmers have been able to build on their newly acquired expertise to produce and sell high-value crops regardless of the decrease in TA and so far without interference from the Maoists. In addition, the GON has given strong support for high-value commodities in the Ninth Five-Year Plan and district Agricultural Officers continue to support the program and provide technical assistance to farmers in the Rapti Zone. Japanese and Asian Development Bank road construction activities have also assisted the sales of these products, particularly the improvement of the main North-South road in the Rapti Zone. The strong performance from USAID’s irrigation and community forestry activities also helped maintain the upward trend in production and sales during 1998. Early results indicate that the relocation of the technical assistance into new zones is having a rapid, positive impact on production and sales of high-value products in these new areas. Nepali farmers and the market for high-value products are ready to respond to the kind of technical assistance that USAID provides.

The community forestry program exceeded targets in 1998, supporting the turnover of more than 23,500 ha. of national forest land to 134 new Community Forest User Groups (CFUGs). The program, implemented by CARE, has now transferred more than 109,000 ha. of national forest land to over 1,300 CFUGs. Rural families are protecting and managing these forest resources, which provide virtually all of their energy requirements. Sales from USAID assisted community forests increased this year from \$3.3 to \$4.5 million. This increase reflects improved forest management practices as well as the fact that community forests have begun to focus on production of non-timber forest products with great potential for increasing family incomes. USAID’s community forestry program, which is part of a larger effort by several donors (7,041 CFUGs now manage close to 10% of the total forests in Nepal), will continue to contribute to USG goals of alleviating poverty and providing habitat to preserve biodiversity. To help the Agency meet its targets to reduce global warming, the program expects continued success in increasing biomass in community forests and has raised the targets by 300% for 1999.

USAID’s Irrigation Management Transfer Project (IMTP) successfully completed its first phase in 1998 by transferring three irrigation systems covering 14,000 ha. to private Water User Associations (WUAs). The 10,000 ha. West Gandak system, which was transferred this year, is a particularly noteworthy achievement because it is the largest irrigation system in Asia to be successfully transferred to a private WUA. The success of this approach to the management of irrigation systems is reflected in the fact that the percentage of farmers paying for water in systems that have been privatized has risen from 5% to more than 55% over the life of the



program. Additionally, farmers in one privatized sub-system voted to increase the price they pay for water by as much as 250% to make sure they have sufficient funds to maintain the system.

The USAID/Nepal model has demonstrated high income and production gains when government-managed irrigation systems have been turned over to the users themselves. The model has been observed by experts from around the world (India, Bangladesh, China, Mexico, and others), has been fully adopted by the GON, and has influenced other donor programs. The Asian Development Bank (ADB) and the GON provide \$18 million for the IMTP, and USAID an additional \$3 million for critical technical assistance. ADB's mid-term evaluation this year attributed much of the credit for IMTP's success to USAID TA support. The World Bank and the GON have agreed to a \$100 million program, which will use a model, similar to the USAID model, to further privatize a 15,000 ha. government-operated irrigation system, and to rehabilitate the physical infrastructure in traditional farmer water user groups.

The rural electrification activity was extended again for an additional year in 1998 because it continues to achieve impressive results. Demand for rural electrification has grown greatly since Nepal became a democracy, but to date only 16% of the population have electricity. The implementing Butwal Power Company's rural electrification and distribution systems are very efficient, using local hydropower as their energy source and a number of innovations (use of circuit breakers instead of meters, wiring harnesses, etc.) which make electricity more affordable for poor rural families. BPC has formed 13 electricity user groups that have electrified more than 5,000 rural homes, converted 23 rural industries from fuel wood or diesel power to electricity, and helped establish 42 new rural industries which use electric power and employ more than 250 people.

The SO1 team expects continued strong performance from the entire SO1 program through 2001 if sufficient funds are available to continue the existing mix of activities. These activities are mutually supportive, and important synergies are achieved when they are implemented as an integrated package of development assistance.

**Possible Adjustments to Plans:** Virtually all activities are being scrutinized for development impact and the following adjustments are being considered: discontinuation of agricultural policy and planning assistance; cancellation of plans for forestry policy assistance; cancellation of plans for expansion of community forestry activities to the Far West; phase out of assistance for non-timber forest products; termination of one or more activities supporting high-value crop production; termination of support for rural electrification; and termination of support for the irrigation management transfer activity.

### Performance Data Table

<b>STRATEGIC OBJECTIVE 1:</b> Increased Sustainable Production and Sales of Forest and High-Value Agricultural Products			
<b>APPROVED:</b> June, 1995 <b>COUNTRY/ORGANIZATION:</b> Nepal			
<b>RESULT NAME:</b> Increased Sustainable Production and Sales of Forest and High-Value Agricultural Products			
<b>INDICATOR:</b> 1.1 Annual Sales of High-Value Agricultural, Livestock and Forest Commodities in Target Areas			
<b>UNIT OF MEASURE:</b> Millions of US Dollars  <b>SOURCE:</b> SO Management Information System, Central Bureau of Statistics  <b>INDICATOR/DESCRIPTION:</b> Total annual sales in millions of U.S. dollars of forest products, livestock products, processed agribusiness goods, and high-value agricultural and livestock commodities in target areas. Examples include: fruits and vegetables, vegetable seeds, spices, oilseeds, sugarcane, potatoes, honey, cotton, hybrid corn, eggs, poultry, pigs, goats, water buffalo and milk.  <b>COMMENTS:</b> Contractors and grantees collect this data from production and marketing associations, farmers, and community forest user groups on a regular basis. Target areas include 16 districts in the Mid-Western and Western Development Regions, three irrigation systems across the Terai and pockets within other districts where agribusiness clients of the Agro-Enterprise Center or NGO partners are active. Overall, SO1 partners carry out activities in 28 of Nepal's 75 Districts with approximately 47% of Nepal's 22 million people.  About half of the sales data in this table have been reported by partners that work on the Market Access for Rural Development (MARD) Activity.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1993 (B)		3.2
	1994		4.8
	1995	7.6	8.1
	1996	12.0	15.4
	1997	16.1	20.1
	1998	20.6	25.1
	1999	25.1	
	2000	30.0	
	2001	31.0	
	2002	32.0	

### Performance Data Table

<b>STRATEGIC OBJECTIVE 1:</b> Increased Sustainable Production and Sales of Forest and High-Value Agricultural Products			
<b>APPROVED:</b> June, 1995 <b>COUNTRY/ORGANIZATION:</b> Nepal			
<b>RESULT NAME:</b> Increased Sustainable Production and Sales of Forest and High-Value Agricultural Products			
<b>INDICATOR:</b> 1.1.1 Farm and Forest Households Producing High-Value Products in Target Areas			
<b>UNIT OF MEASURE:</b> Thousands of Farm and Forest Households	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1993 (B)		23.1
<b>SOURCE:</b> SO Management Information System, Central Bureau of Statistics	1994		32.5
	1995		39.0
	1996	48.4	51.2
<b>INDICATOR/DESCRIPTION:</b> Number of households producing high-value agricultural or forestry products in target areas.	1997	60.8	93.1
	1998	80.3	160.0
	1999	170.0	
<b>COMMENTS:</b> Previously, SO1 counted the numbers of farmers and foresters producing high-value products and disaggregated the data by gender. In reviewing the SO1 indicators and targets, partners suggested that “households” would be a more realistic measure of assistance activities, as frequently their customers are from the same families. Several partners have been reporting both husbands and wives as producers of agricultural or forest products. Data reported here, from years prior to 1998, have been halved to provide numbers of households assisted comparable to the 1998 data.	2000	180.0	
	2001	190.0	
	2002	200.0	

### Performance Data Table

<b>STRATEGIC OBJECTIVE 1:</b> Increased Sustainable Production and Sales of Forest and High-Value Agricultural Products			
<b>APPROVED:</b> June, 1995 <b>COUNTRY/ORGANIZATION:</b> Nepal			
<b>RESULT NAME:</b> Increased Sustainable Production and Sales of Forest and High-Value Agricultural Products			
<b>INDICATOR:</b> 1.2 Annual Production of Forest/Pasture Biomass			
<b>UNIT OF MEASURE:</b> Thousands of Cubic Meters	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1994 (B)		174
<b>SOURCE:</b> SO Management Information System	1995		228
	1996	284	293
<b>INDICATOR/DESCRIPTION:</b> Forest and pasture biomass from community forest areas which are managed by groups receiving USAID assistance.	1997	353	1000
	1998	427	1400
	1999	1,600*	
<b>COMMENTS:</b> * The targets for this indicator have been increased this year by approximately 300% for the period 1999 through 2002.  This indicator includes total biomass (timber, fuelwood, leaves and grasses, etc.) from all forests and pastures under the control of the Environment and Forest Enterprise Activity community forest user groups (CFUGs), national park buffer zone conservation committees, and CFUGs that have been organized by the Dading Development Management activity.  USAID's community forest activities are contributing to the achievement of the Agency's Global Warming targets.	2000	1,800*	
	2001	2,000*	
	2002	2,200*	

### Performance Data Table

<b>STRATEGIC OBJECTIVE 1:</b> Increased Sustainable Production and Sales of Forest and High-Value Agricultural Products			
<b>APPROVED:</b> June, 1995 <b>COUNTRY/ORGANIZATION:</b> Nepal			
<b>RESULT NAME:</b> Increased Sustainable Production and Sales of Forest and High-Value Agricultural Products			
<b>INDICATOR:</b> 1.2.1 Community Forest and Irrigation User Groups Formed with Management Plans in Target Areas			
<b>UNIT OF MEASURE:</b> Groups	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> SO Management Information System	1995 (B)		586
	1996	774	828
<b>INDICATOR/DESCRIPTION:</b> Number of Community Forest User Groups (CFUGs) and Water User Associations (WUAs) formed with conservation or forest management and irrigation management plans in target areas.	1997	962	1044
	1998	1150	1500
	1999	1600	
	2000	1800	
	2001	2100	
	2002	2700	
<b>COMMENTS:</b> This indicator has been revised this year and targets have been increased for the period 1999 through 2002 to include water user groups managing irrigation systems (WUAs) in addition to community forest user groups (CFUGs). This change has been made to present one consolidated indicator that shows SO1's overall impact on formation of groups that are protecting, preserving and managing Nepal's forest and water resources. SO1 continues to collect separate data on numbers of CFUGs and WUAs in order to manage the USAID forestry and irrigation activities. Target area includes 17 districts. The CFUGs are located predominantly in 8 districts of the Mid-western Development Region, while the WUAs are located in 9 districts along Nepal's southern border with India.			

## **Strategic Objective 2: Reduced Fertility and Improved Maternal and Child Health**

**Summary:** This program supports U.S. national interests to stabilize world population growth and protect human health, and is the key component of the MPP health goal. Its major purpose is to reduce fertility and improve maternal and child health. This will be accomplished by expanding the use of quality, voluntary family planning (FP) services, improving selected maternal and child health (MCH) services, increasing HIV/STI (sexually transmitted infection) prevention and control practices among high-risk groups, and strengthening institutional capacity and control of selected infectious diseases (especially vector-borne diseases and antimicrobial resistance). The beneficiaries of the FP/reproductive health program potentially include the entire population of women (15-49) and men of reproductive age – more than 11 million people of which at least four million will be contraceptive users. Child health services will reach 90% of children under five (about 3.5 million children). Progress in 1998 toward this objective exceeded expectations.

**Key Results.** The best annual proxy for contraceptive use and reduced fertility, couple-years of protection (CYP), increased beyond expectations – exceeding subtargets for both Ministry of Health (MOH) and NGO delivery sites. Of note, CYP in USAID-supported private outlets increased by 43% last year. Annual child survival indicators also showed impressive results: coverage with vitamin A capsules, a life-saver for children 6-60 months, improved to a remarkable 92% in the 42 program districts. At the same time, to combat the country's number-one child killer, community pneumonia treatment (shown to decrease under-five mortality by 28% in Nepal) expanded from 4 to 6 districts, with the proportion of correct treatment substantially exceeding targets. As the USAID-supported HIV/AIDS program expanded from 9 to 16 districts, overall condom use among high-risk-behavior groups was expected to decrease. Surprisingly, condom use increased overall, indicating that previous years' interventions had penetrated into the new area.

**Performance and Prospects:** USAID assistance is delivered through an integrated program of bilateral and central support working with the GON, NGOs and the commercial private sector in all of Nepal's 75 districts. A network of U.S. and Nepali NGOs provides comprehensive community-based health and FP services in 23 districts. Community health workers provide information and services to combat diarrheal diseases, pneumonia, vitamin A deficiency and HIV/AIDS as well as to promote FP/child spacing and safe birthing practices. In addition, through a program to better inform consumers of health and FP services, over 12,000 women completed health education and adult literacy classes in 1998.

USAID is the lead donor for the national family planning program and the chief donor supporting private sector FP activities. In 1998, contraceptive use (as measured by CYP) increased substantially, surpassing targets in public, NGO and commercial private sites. CYP in the USAID-supported 21 priority districts, which contain more than half of Nepal's population, increased by 12% last year. At the same time, CYP generated by USAID's private sector social-marketing partner increased markedly as did CYP through the expanding family health network of private physicians, which has jumped more than fivefold since 1995. In addition, USAID-trained paramedics dispensing Depo-Provera in private pharmacies increased CYP by 60% in 1998, and three new NGO FP clinics aiming ultimately at full cost recovery opened their doors. While USAID remains the largest donor providing contraceptives in Nepal, the United Nations Population Fund (UNFPA) and in particular, the British Department for International Development

(DFID) and the German Development Bank (KfW) are now major suppliers as well. USAID played a key role in engaging these latter two donors in contraceptive/condom procurement.

To improve access, the mission is working with the MOH to put in place a national integrated logistics-management system for essential drugs and contraceptives. A 1998 survey found that 78% of district warehouses had already established a 3-month supply of contraceptives, surpassing the 2002 target of 70%. To ensure that FP services are high quality, USAID has increased support for the Quality of Care Management Center, which both monitors clinical FP services and fosters their improved quality. USAID also supports competency-based in-service training on the full range of FP methods and on counseling, to ensure informed choice. (The trainees are not certified until they can demonstrate their new skills.) Last year, the mission supported over 1000 such trainees, exceeding targets for both counselors and service providers. Pre-service training also needs strengthening, and in 1998, USAID partners trained 298 medical and nursing students, covering a range of FP methods as well as counseling and infection prevention. An innovative program combining radio serial dramas, aimed at increasing client FP knowledge and use, with radio distance education, aimed at improving health provider knowledge and counseling skills, completed its second phase in November 1998. Health provider knowledge increased by 21% during the most recent phase. Studies show that these two types of radio programs are working synergistically to increase contraceptive use.

USAID's child survival activities are also contributing to reduced fertility. Because under-five mortality has been halved over the past 15 years, families have reason for confidence that their children will survive. In 1998, Nepal's national vitamin A program for high-dose capsule supplementation and complementary education expanded by 400,000 to reach more than 1.8 million children 6 to 60 months of age. This program has been called the best of its type in the world. According to 1998 data, coverage with the UNICEF-supplied capsules, delivered primarily by more than 23,000 USAID-trained female community health volunteers (FCHVs), remains amazingly high. Districts that began the program 4 to 5 years ago with NGO assistance are now incorporated into the MOH program; yet they continue to show 90% coverage. An independent study (UNICEF/Micronutrient Initiative) conducted last year confirmed the outstanding coverage levels. By current estimates, the national vitamin A program in Nepal is averting at least 25,000 child deaths annually.

USAID, with its child-survival contractor, John Snow, Inc., has taken the lead in expanding life-saving community-based pneumonia treatment. Four USAID-supported international NGOs are now committed to working with the MOH to support the service providers, especially FCHVs. Expansion will be expedited to 6 new districts (vs. 2 planned) in 1999. Having services available in the community enables client access without barriers related to time, distance and culture. Studies show that traditionally only 17-18% of pneumonia cases ever reach a health facility, but with the community-based program, 46% of cases are now being treated. Studies also confirm that the knowledge and skills of the FCHVs are remarkably high, e.g., more than 90% of FCHVs know the correct antibiotic dose for two different age groups. ORS distribution also exceeded targets, and FCHVs who knew all three home rules for managing diarrhea shot up from 21% in 1994 to 78% in 1998.

The USAID-supported Nepal Safe Motherhood Network continues to provide effective grassroots communication, partnership with both NGOs and the GON, and advocacy to address Nepal's sky-high maternal mortality. The network's World Health Day march through the streets of Kathmandu last spring enlisted thousands of women, each with a number symbolizing a maternal death in the past year. First Lady Hillary Clinton cited that march in a speech in Washington the same day. In 1999, the mission will be exploring ways to complement the efforts of other donors (DFID, UNFPA) working to improve access to critical maternal-health services in Nepal.

The HIV epidemic continues to grow in the region but remains at low levels in Nepal. With the open Indian border, continued girl trafficking, seasonal male migration for work, flourishing commercial sex and other high-risk behavior, an aggressive program appears well justified. In 1998, the USAID-supported initiative, implemented by Family Health International and local NGOs, expanded from 9 to 16 districts along major truck routes and border areas. The program focuses on high-risk behavior groups by delivering integrated messages through one-on-one outreach, street dramas, mass media, as well as condom social marketing and improved STI treatment. In 1998, condom use among high-risk groups exceeded targets, while condom sales increased by 9% to nearly 4.8 million. Training of drug retailers to correctly treat STIs also exceeded targets, and three new integrated family planning/STI clinics were established. A survey of HIV/STI prevalence among truckers and sex workers is now underway, as are detailed observational studies of provider STI treatment practices. The findings will help to improve and better target the interventions. Cross-border collaboration with an Indian NGO at the main border crossing continues to serve as a regional model, resulting in improved, effective joint prevention and control activities.

USAID's infectious-disease program was launched in May 1998 – the first field mission program of its kind under the new earmark. This includes assistance to establish a much-needed system for surveillance of antimicrobial resistance and activities to improve treatment practices. Building capacity and programs to control vector-borne diseases has also begun and includes institutional strengthening at the USAID-built Vector Borne Disease Center in order to upgrade the capacity to assess, develop, manage and monitor disease-control strategies. Baseline assessments and training on vector-borne diseases, laboratory capacity, surveillance systems and rational drug practices have been initiated. Based on the assessments, surveillance will be strengthened and control measures and practices refined and better targeted. The previously established Drug Information Network has increased its focus on combating antimicrobial resistance, and research to improve drug sellers' practices has been initiated. The infectious-disease program includes a variety of cross-border and regional activities to build networks, establish common standards, share information and resources as well as to coordinate cross-border prevention and control.

**Possible Adjustments to Plans:** If the FY 99 funding levels continue, the mission will be forced to cut back programs in many areas, although immediate effects have been mitigated by using the pipeline. Of more direct impact, without additional funds, the national vitamin A program will be unable to expand beyond 55 districts, leaving 20 districts uncovered. As a result, approximately 5400 children are expected to die annually.



## Performance Data Table

<b>STRATEGIC OBJECTIVE 2:</b> Reduced Fertility and Improved Maternal and Child Health			
<b>APPROVED:</b> June, 1995 <b>COUNTRY/ORGANIZATION:</b> Nepal			
<b>RESULT NAME:</b> 2.1 Increased Use of Quality Family Planning Services			
<b>INDICATOR:</b> 2.1.2 Annual couple-years of protection (CYP) for MOH and USAID-supported programs			
<b>UNIT OF MEASURE:</b> Couple-years of protection  <b>SOURCE:</b> MOH's logistics management information system; and NGO and private sector progress reports.  <b>INDICATOR/DESCRIPTION:</b> Number used to estimate protection provided by family planning services during a one-year period, based upon volume of all contraceptives sold or distributed to clients during that period and disaggregated by type of service that USAID/Nepal supports: a) All MOH- supported services; a1) NGO sites; a2) 21 priority districts; b) private outlets.  <b>COMMENTS:</b> USAID/Nepal anticipates that CYP figures will increase by 10% per year. Figures provided are based on the Nepali fiscal year (July 16, 1998 to July 15, 1998). Note there is overlap between the categories of all MOH supported services (a), NGO sites (a1) and the 21 priority districts (a2), so these figures are not additive.  For all categories, the CYP comfortably exceeded the planned figures. There are notable CYP increases in private sector outlets (43% more than 1997) as well as in the 21 priority districts and the MOH-supported services.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995 (B)		a) 730,000 a1) 105,000 a2) 426,000 b) 100,000
	1996	a) 803,000 a1) 116,000 a2) 469,000 b) 110,000	b) 798,375 a1) 166,832 a2) 478,122 b) 112,680
	1997	a) 883,000 a1) 127,000 a2) 515,000 b) 121,000	a) 946,833 a1) 217,906 a2) 572,114 b) 111,113
	1998	a) 972,000 a1) 140,000 a2) 567,000 b) 133,000	a) 1,028,877 a1) 153,530 a2) 640,677 b) 158,645
	1999	a) 1,069,000 a1) 154,000 a2) 524,000 b) 146,000	
	2000	a) 1,176,000 a1) 169,000 a2) 586,000 b) 161,000	
	2001	a) 1,293,000 a1) 185,000 a2) 644,000 b) 177,000	
	2002	a) 1,422,000 a1) 204,000 a2) 708,000 b) 194,000	
	(T)		

## Performance Data Table

STRATEGIC OBJECTIVE 2: Reduced Fertility and Improved Maternal and Child Health			
APPROVED: June, 1995		COUNTRY/ORGANIZATION: Nepal	
RESULT NAME: 2.3 Increased Use of Selected Maternal and Child Health Services			
INDICATOR: 2.3.1 Children receiving vitamin A supplementation on a regular basis.			
UNIT OF MEASURE: Percentage of children	YEAR	PLANNED	ACTUAL
SOURCE: Minisurveys conducted by the Nepali Technical Assistance Group (NTAG) in collaboration with the MOH.	1993 (B)	40% (8 districts)	90% (8 districts)
	1994	40% (12 districts)	90% (12 districts)
INDICATOR/DESCRIPTION: Percentage of children 6-60 months who have received a vitamin A capsule on the preceding semi-annual national capsule distribution day.	1995	50% (23 districts)	86% (23 districts)
	1996	60% (32 districts)	87% (32 districts)
COMMENTS: The coverage figure encompasses the entire 42 districts. It was calculated from actual and weighted samples in all new districts and randomly selected older districts (stratified by year of entry into the program). Coverage in the older districts was then weighted according to the total population of districts for each year of entry into the program. Coverage for each new district is weighted according to that district's population.  The target was exceeded due to effective logistic and supervisory support to the female community health volunteers. In addition, national IEC campaigns and support from non-governmental organizations helped mobilize communities to participate in the program.  Note: Districts that have been in the program for 2 or more years, whose activities have been fully incorporated into the MOH, have coverage in the 89-91% range, which is outstanding and virtually the same coverage as that seen in new districts where NTAG is very active. Such high coverage in the older districts is both surprising and encouraging. It implies strong potential for program sustainability.	1997	86% (32 districts)	92% (32 districts)
	1998	70% (42 districts)	92% (42 districts)
	1999	70% (52 districts)	
	2000	70% (62 districts)	
	2001	70% (72 districts)	
	2002 (T)	70% (75 districts)	

### Performance Data Table

STRATEGIC OBJECTIVE 2: Reduced Fertility and Improved Maternal and Child Health			
APPROVED: June, 1995		COUNTRY/ORGANIZATION: Nepal	
RESULT NAME: 2.3 Increased Use of Selected Maternal and Child Health Services			
INDICATOR: 2.3.2 Children with pneumonia symptoms given appropriate treatment in intervention districts.			
UNIT OF MEASURE: Percentage of children  SOURCE: John Snow, Inc. reports of child health monitoring activities, July 1997 to June 1998.  INDICATOR/DESCRIPTION: Percentage of children 0-60 months old with pneumonia symptoms referred or treated appropriately by a community health worker in intervention districts.  (Prior to 1998, the indicator was defined as the patient having received a third-day follow-up visit by a community health worker.)  COMMENTS: The target was exceeded this year because the community health workers were closely supervised and monitored in their case management skills. Expansion of the program is being planned carefully in order to maintain effective supervision.  Appropriate treatment is defined as (a) marking consistent age and dose of the antibiotic (cotrimoxazole) in the ARI register or (b) marking third-day follow-up and outcome in the ARI register.  Data were collected during routine supervisory visits to the 6 intervention districts and covered the previous 10 register records of 513 community health workers.	YEAR	PLANNED	ACTUAL
	1995 (B)		70% (4 districts)
	1996	55% (4 districts)	84% (4 districts)
	1997	60% (4 districts)	78% (4 districts)
	1998	60% (6 districts)	(a) 87% (b) 79% (6 districts)
	1999	60% (8 districts)	
	2000	60% (10 districts)	
	2001	60% (12 districts)	
	2002 (T)	60% (14 districts)	

## Performance Data Table

<b>STRATEGIC OBJECTIVE 2:</b> Reduced Fertility and Improved Maternal and Child Health					
<b>APPROVED:</b> June, 1995		<b>COUNTRY/ORGANIZATION:</b> Nepal			
<b>RESULT NAME:</b> Reduced Fertility and Improved Maternal and Child Health					
<b>INDICATOR:</b> 2.3 Condom use by persons with high-risk behaviors in target areas.					
<b>UNIT OF MEASURE:</b> Percentage of commercial sex workers (CSWs) and clients.  <b>SOURCE:</b> AIDSCAP I & II periodic surveys.  <b>INDICATOR/DESCRIPTION:</b> Percentage of CSWs and clients in target area reporting condom use consistently and during last intercourse of risk: a) = CSW; b) = clients; L= last use; C= consistent use.  <b>COMMENTS:</b> The 1998 results represent findings from the first wave of a behavioral surveillance survey conducted in the expanded 16-district project area. These results indicate that reported condoms levels continue to climb.  Overall increases in this indicator have been impressive, especially considering that 7 of the 16 districts covered were new to the program in 1998.  Notably, last use of condoms among clients has improved from 34% in 1994 to 41% in 1996 to 58% in 1998. Consistent use among CSWs has also improved steadily – from 13% in 1994 to 27% in 1996 to 33% in 1998. Clearly, activities focused on the original 9 districts have penetrated into the expanded project area.  This indicator remains our best overall indicator for HIV/AIDS activities. We continue to explore alternatives.	<b>YEAR</b>	<b>PLANNED</b>		<b>ACTUAL</b>	
	1994 (B)			(L)	(C)
				a:35%	13%
				b:34%	21%
	1996-1997 (T)	(L)	(C)	(L)	(C)
		a:60%	N/A	a:61%	27%
		b:60%	N/A	b:41%	31%
	1998 (B)	(L)	(C)	(L)	(C)
		a:50%	15%	a:62%	33%
		b:40%	20%	b:58%	30%
1999	(L)	(C)			
	a:55%	25%			
	b:45%	30%			
2000	(L)	(C)			
	a:60%	35%			
	b:55%	40%			
2001	(L)	(C)			
	a:65%	50%			
	b:65%	50%			
2002	(L)	(C)			
	a:70%	50%			
	b:75%	50%			

### **Strategic Objective 3: Empowerment of Women**

**Summary:** The purpose of this program is to empower women to improve their own well-being and that of their families and communities by offering them an integrated package of literacy, economic opportunities, and legal rights and advocacy training. Empowerment will be achieved principally by increasing the number of women who are literate at a basic level and the number of women who know their basic legal rights, and by raising the number of women savings and credit groups members who begin or expand microenterprises. Achievement of these results will give women the skills and wherewithal to increase their influence on household decision making, increase household spending on family well-being, and produce collective actions for social change in their communities. The direct customers of this objective are 100,000 Nepali women in districts distributed across the Terai from the east to the west of Nepal. The program is on track to achieving its objective.

In 1995 when USAID began work on this objective, almost 80 percent of Nepali women could neither read nor write. Women worked on average three hours longer per day than men, but only 48% of rural women, compared to 70% of rural men, were reported as economically active. While the Nepali constitution contains guarantees for women, women are largely unaware of their human or legal rights and participate little in the democratic process. USAID's women's empowerment program provides a road map out of poverty for rural Nepali women, their families and communities.

The SO3 program contributes directly to three agency goals - strengthening democracy, encouraging broad-based economic growth, and building human capacity. The program is a major contributor to synergy between the mission's SOs. The stronger women's economic groups, which this program builds, will create better constituencies for the USAID agricultural and health programs. In the far western region of Nepal, empowered women's groups will support the expansion of USAID's community forest program.

Empowering women is intrinsically tied to U.S. national interests. The involvement of women in political life promotes democracy and good governance. Women's increased awareness of their rights as human beings will help reduce problems of women and girl trafficking, as well as eliminate impediments to economic growth such as unchecked population increases. Women's increased involvement in economic life supports broad-based growth for the country as a whole with long-term economic impact.

**Key results:** Phase II of the program (1998-2000) targets 100,000 women with empowerment interventions. The program provides 120,000 women with empowerment literacy skills and access to savings and credit services, followed by legal rights awareness and advocacy training for 108,000 of these same women, and finally provides 100,000 of these women with business skills training. The core group is 100,000 women who will receive all three interventions. Of this core group, 81,000 will start up microenterprises or expand existing ones.

**Performance and Prospects:** Performance of this program is best reflected by the indicators for basic literacy, active members of savings and credit groups (savers and borrowers), and women with microenterprises. Intermediate results are already evident and SO-level empowerment change

will be measurable in 1999 with the combined implementation impact of the three interventions. In 1998, 30,000 women began empowerment literacy training, as the first intervention a woman is offered as part of this program.

The program is targeting 100,000 women to receive all three interventions. The higher numbers of 120,000 for literacy and 108,000 for legal rights and advocacy assume a drop out rate through the first two interventions due to marriage, illness, family moves and other changes in family circumstances. Of these 100,000 empowered women, not all will engage in a microenterprise activity. 81,000 women will be targeted with business skills training to increase their contributions to household income. Compared to Phase I (1995-97), the program in Phase II scales up outreach, particularly the economic intervention, works with groups of women already formed into existing economic groups, addresses the role of men in empowering women, uses a new literacy package which introduces empowerment concepts, promotes literacy-based learning in the legal rights and economic interventions and maintains a geographic focus along the Terai. Empowering these women with skills from all three integrated interventions will create a distinct group of women who are better able to make informed decisions about their families and communities, critical to the sustainability of program results.

The overwhelmingly enthusiastic response towards SO3 field interventions is reflected by the fact that Phase II has been dramatically over-subscribed. In 1998, economic groups with a membership of 350,000 women applied to participate in the program.

1998 was a critical transition year for Phase II. The two implementing organizations, Pact and The Asia Foundation (TAF) forged a strong, integrated package of assistance for the three interventions. Pact designed a new three-month empowerment literacy package as well as a series of literacy-based microfinance and microenterprise materials which include consistently reinforced empowerment messages. TAF redesigned its legal rights and advocacy curriculum to emphasize decision-making, include consistent empowerment messages, reinforce the practice of literacy skills, and add issues of economics and law relevant to microfinance and business (interest rates, contracts, and fraud). The two organizations now share one jointly-developed workplan, a management information system (MIS) to report on IR indicators, an annual survey to report on SO change, jointly-managed district and regional offices, and field workers who have front line contact with the women's groups. For the roll out of Phase II in 1998, Pact and TAF: 1) enrolled<sup>1</sup> 89,000 women in the program, 2) selected and signed subgrant agreements with 90 Nepali implementing organizations for the three interventions, 3) hired and trained 400 field workers who meet biweekly with every women's group, 4) established 13 out of 21 district field offices and three regional offices, 5) conducted the baseline survey, 6) put in place the shared MIS, and 7) began implementation of the empowerment literacy intervention.

Two other SO3 partners, Save the Children US (SCF) and the Canadian Centre for International Studies and Cooperation (CECI) contribute to the SO3 program. SCF and CECI implement

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<sup>1</sup> "Enrolled" means for SO3 that 1) the women have met the minimum eligibility criteria for participating in the program: being active saving members of a savings and credit group containing 12 or more members; 2) each woman has paid a participation fee and agreed to pay book fees, demonstrating a commitment to the program; and 3) the group, through its umbrella local NGO, has signed up with the implementing organizations to participate in the program.

supportive economic activities which increase the outreach and sustainability of Grameen clones in Nepal, federate small savings and credit groups of women into sustainable cooperatives, and support profitable microenterprises. CECI also established a Center for Microfinance which promotes microfinance best practices in Nepal through training, technical assistance, and research.

Due to the time necessary in 1998 for extensive implementation start up, Pact and TAF decided to enroll the entire number of targeted women at once instead of in phases. This meant that some indicator targets were exceeded. For example, the target for the indicator 3.3.1 a) women actively saving, was exceeded by 188%. Of the women enrolled, 88,000 or 99% were already saving or started saving in 1998. These women expressed interest in the program and were informed about eligibility requirements including the content and sequence of interventions and the need for a minimum membership of 12 women per group. This led groups to amalgamate or accept new members, which in turn augmented their group funds available for loans. The required financial commitment to the program upon enrollment (in the form of participation and book fees) is deposited into the group fund, increasing the member's access to more or larger loans. As a result of these factors, the number of women actively saving coincides closely with the number of women enrolled. Therefore, the target for 3.3.1 a) has been increased for 1999 and when all of the women have been enrolled, this part of the indicator will be dropped.

Performance of the principal intermediate results through the budget request year is expected to be strong. By the end of calendar 1999 all target women will be literate, 80,000 women will have participated in the legal rights and advocacy intervention and sufficient numbers of women will be exercising their newly gained entrepreneurial skills and will begin to earn money for the increased welfare of their families. It is at this point in 1999 that SO-level indicators will reflect empowerment change.

**Possible adjustments to plan:** For FY99, the SO3 budget has been cut by 75% and it is unclear if funding will be restored for FY2000. In view of this sharp reduction and with an uncertain budget future, the SO3 team has managed for results, reviewing with its partners the status of implementation activities and assessing which core activities must continue. Pact and TAF have agreed to proceed with full-scale implementation of the program despite possible future funding shortages. The SO3 team is also working with SCF and CECI to realign their activities for more direct support of the core program.

**Other donor programs:** USAID is the recognized leader in supporting the empowerment of Nepali women. UNICEF programs target women for health, water, education and advocacy. The Asian Development Bank has started a new program on microcredit for women. Many donors offer small programs that include a gender focus, but no other donor uses empowerment as a theme to structure assistance which targets women.

### Performance Data Table

<b>STRATEGIC OBJECTIVE 3:</b> Increased Women's Empowerment			
<b>APPROVED:</b> June, 1995 <b>COUNTRY/ORGANIZATION:</b> Nepal			
<b>RESULT NAME:</b> 3.1 Increased Women's Literacy			
<b>INDICATOR:</b> 3.1.1 Women who are literate at a basic level			
<b>UNIT OF MEASURE:</b> Women	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Program Management Information System	1998 (B)	24,000	30,000*
	1999	120,000	
<b>INDICATOR/DESCRIPTION:</b> Cumulative number of targeted women passing literacy tests			
<b>COMMENTS:</b> Literacy is one step towards empowerment. All economic groups entering the program contain a mix of literate, semi-literate, and illiterate women. All women receive the same literacy skill-building and empowerment messages. The literacy intervention will raise the abilities of all the women, providing new skills to some and refreshing and reinforcing the skills of others.  *This is the number enrolled in the literacy intervention during the reporting period. There has not yet been a full class cycle nor a test of achieved literacy skills. The number of women passing the test will be reported in 1999.			



### Performance Data Table

<b>STRATEGIC OBJECTIVE 3:</b> Increased Women's Empowerment			
<b>APPROVED:</b> June, 1995 <b>COUNTRY/ORGANIZATION:</b> Nepal			
<b>RESULT NAME:</b> Strengthened Women's Economic Participation			
<b>INDICATOR:</b> 3.3.1 Women becoming active members of savings and credit groups			
<b>UNIT OF MEASURE:</b> a) women savers b) women borrowers	YEAR	PLANNED	ACTUAL
	1997	a)14,700 b)10,000	a)23,883 b)20,379
<b>SOURCE:</b> Program Management Information System	1998	a)30,400 b)21,000	a)87,830 b)15,936
	1999	a)101,000 b)47,000	
<b>INDICATOR/DESCRIPTION:</b> a) Number of targeted women actively saving (depositing at least once a month)	2000	b)70,500	
b) Number of targeted women actively borrowing (holding a loan)			
<b>COMMENTS:</b> In 1998, the target for savers was greatly exceeded (by 188%); the revised program strategy required women to join the program from the beginning. Therefore, the number of savers is essentially the number of women in the program. The savers target for 1999 has been increased to reflect that reality, and the indicator will then be dropped.  51% of the borrowers target was met. Many women have only recently started saving; their economic groups want to accumulate more funds before giving out loans.			

### Performance Data Table

<b>STRATEGIC OBJECTIVE 3:</b> Increased Women's Empowerment			
<b>APPROVED:</b> June 1995 <b>COUNTRY/ORGANIZATION:</b> Nepal			
<b>RESULT NAME:</b> Strengthened Women's Economic Participation			
<b>INDICATOR:</b> 3.3.2 Women saving and credit group members who begin or expand a microenterprise			
<b>UNIT OF MEASURE:</b> Women	YEAR	PLANNED	ACTUAL
<b>SOURCE:</b> Program Management Information System	1997	9,000	5,628
	1998	26,000	13,144
<b>INDICATOR/DESCRIPTION:</b> Cumulative number of targeted women savings and credit group members who start up microenterprises or expand existing ones.	1999	48,000	
	2000	81,000	
<b>COMMENTS:</b> Involving women in the planning and design of the business training program created expectations and momentum for the program. Some loan-based microenterprises were started because women had easier access to funds pooled through the amalgamation of savings and credit groups into larger entities. The 1998 target was not fully achieved, however, as enrollment is not yet complete and the business skills training has only just started.			

#### **Special Objective 4: Increased Private Sector Participation and Investment in Environmentally and Socially Sound Hydropower**

**Summary:** Nepal's tremendous hydropower potential, believed to be in the region of 83,000 Megawatts (MW), provides the most promising economic growth opportunity for the country. Earlier studies in this sector led to the GON's request for USAID assistance and a new commitment by the GON to attract private U.S. and other international investment. Since the start of the Private Electricity Project in 1994, USAID has been helping to increase the GON's capacity to implement a successful private hydropower development program by providing policy dialogue, training and technical assistance. The Private Electricity Project ended in August 1998 with a smooth transition leading to the start of this special objective. This program is designed to help the GON improve the policies and procedures for hydropower investment and strengthen local capabilities to ensure that investments are environmentally and socially sound. Progress on the two principal IRs, Improved Enabling Conditions for Private Sector Investments and Increased Environmental and Social Soundness in Hydropower Investments is satisfactory. Program results to date are laying the foundation for continued improvements in the policy and regulatory framework for private development of Nepal's hydropower potential. The program is on track in its first six months of implementation.

This program supports the U.S. national interests of economic prosperity and environment and is helping to increase U.S. trade and investment, reduce global warming, and sustain the environment. The program is a key component in the MPP goal of open markets. Hydropower development provides a clean, renewable, and environmentally friendly source of power to an energy hungry region while promoting U.S. business. At the same time, hydropower development will reduce Nepal's dependence on foreign donors, improve the quality of life in Nepal, and strengthen regional cooperation. Currently, only 16% of Nepal's 22 million people have electricity. The principal beneficiaries in Nepal will be the millions of people, in thousands of rural communities, who will receive dependable, clean electricity and will have reduced dependence on fuelwood and forests for their energy needs.

**Key Results:** Several important milestones were achieved in 1998. The GON approved agreements to construct two additional hydropower plants valued at \$40 million which will produce an additional 25 MW of power. One additional environmental and social impact assessment was concluded using the new, more rigorous evaluation methodologies developed with USAID assistance, and one public hearing was held to present a new hydropower proposal to local stakeholders.

**Performance and Prospects:** Nepal currently cannot even meet its relatively low peak electricity demand of 308 MW, presenting a major constraint to its industry and economy. Nepal has roughly 83,000 MW of hydropower potential, half of which is judged to be economically feasible for development. At present, less than 1% is being used. Nepal's demand for power is outstripping supply by more than 30 MW (8.3%) per year, and the domestic energy demand is expected to nearly double to 571 MW by 2005. India and China provide natural markets for Nepal's excess hydropower and both are experiencing critical energy shortages. They also currently rely on environmentally unsound means of generating power.

A major donor policy shift away from funding public sector infrastructure projects created a challenge for Nepal, and the government was persuaded of the need and opportunity to attract private investment in the energy sector for the first time. Since 1994, USAID has played a critical role in assisting the GON in leveraging several hundred million dollars of private and other donor investments in hydropower development. This includes \$98 million for the Bhote Koshi Project (\$95 million of this was invested by Panda Energy International, Inc. of Texas and Harza Engineering of Chicago making this the single largest U.S. investment in Nepal), and \$138 million for the Khimti Khola Project (a Norwegian investment). This program has shown great success in building on the previous USAID Private Electricity Project. In June 1998, International Resource Group Ltd. (IRG) began implementation of the program for which the previous contractor, ACRES International, had laid the groundwork. Despite issues resulting from the frequent changes in government and delays in approval of the World Bank's new Power Development Fund (PDF), implementation of this program in 1998 was on track.

Through IRG, USAID is now providing assistance to the GON's Electricity Development Center to: 1) streamline the review and approval of investment approvals; 2) monitor investor compliance with social and environmental mitigation requirements; 3) increase use of competitive contracting procedures; and 4) improve Nepal's capacity to negotiate and sign equitable power purchase agreements and power supply contracts with international and local, private power developers. To bolster environmental and social soundness of hydropower investment, USAID is strengthening local capability to conduct social and environmental impact assessments. The program encourages more public hearings in the investment process, to improve transparency and assure that needs of local residents are heard and addressed.

SpO4 activities also include a U.S. Energy Association (USEA) partnership program through which USEA will help U.S. utility companies develop long-term cooperative relationships with the Nepal Electricity Authority (NEA) and, in the future, with Nepal's first private utility company. This activity promotes the transfer of the U.S. energy industry's best technologies to Nepali utilities as well as provides long-term business opportunities for U.S. companies. Similar partnerships with regulatory bodies in the U.S. will be promoted. The initial fact finding visit by USEA representatives in 1998 was well received by the NEA. In the coming few months, it is expected that the NEA will send a letter of intent to enter into a partnership program with a U.S. Utility and that USEA will identify an interested private U.S. utility.

**Possible Adjustments to Plans:** None, if funding requirements are met.

**Other Donor Programs:** USAID participated substantively in discussions with the World Bank and the GON regarding the World Bank's new Power Development Fund (PDF). USAID partners drafted the implementation guidelines for the PDF, the model Request for Qualifications and other PDF design documents. The PDF and the USAID program will be mutually supportive in the development of hydropower in Nepal. The PDF will provide \$175 million in funds - \$100 million to leverage private investments at an expected ratio of 3:1 and \$75 million to improve Nepal's power transmission and distribution system. The Asian Development Bank also provides financing for hydropower projects. The United Nations Development Program and GTZ (German Aid) implement projects to promote development of micro and medium scale hydropower projects. NORAD (Norwegian Aid) is also involved in the sector.

### Performance Data Table

<b>SPECIAL OBJECTIVE 4:</b> Increased Private Sector Participation and Investment in Environmentally and Socially Sound Hydropower			
<b>APPROVED:</b> November, 1997 <b>COUNTRY/ORGANIZATION:</b> Nepal			
<b>RESULT NAME:</b> Increased Private Sector Participation and Investment in Environmentally and Socially Sound Hydropower			
<b>INDICATOR:</b> 4.1 Private financial commitments for hydropower project development			
<b>UNIT OF MEASURE:</b> Millions of U.S. Dollars  <b>SOURCE:</b> Electricity Development Center (EDC)  <b>INDICATOR/DESCRIPTION:</b> Cumulative total of U.S. dollars (millions) in financial commitments by private financing institutions for development of hydropower projects.  <b>COMMENTS:</b> 2002/03 – USAID/Nepal funding will end on FY 2001. Projects in the pipeline will continue and are expected to result in additional private financial commitments beyond FY 2003.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997 (B)		238
	1998	275	278
	1999	325	
	2000	400	
	2001 (T)	475	
	2002	550	
	2003	625	

### Performance Data Table

<b>SPECIAL OBJECTIVE 4:</b> Increased Private Sector Participation and Investment in Environmentally and Socially Sound Hydropower			
<b>APPROVED:</b> November, 1997 <b>COUNTRY/ORGANIZATION:</b> Nepal			
<b>RESULT NAME:</b> IR 4.1 Improved Enabling Environment for Private Sector Investment in Hydropower			
<b>INDICATOR:</b> 4.1.1 Private sector projects progressing towards hydropower investments			
<b>UNIT OF MEASURE:</b> Cumulative total number of projects which have passed important stages towards completion of a private hydropower project  <b>SOURCE:</b> Electricity Development Center (EDC)  <b>INDICATOR/DESCRIPTION:</b> a) Stage 1 – survey license issued b) Stage 2 – construction license requested c) Stage 3 – feasibility study completed d) Stage 4 – financial closure  <b>COMMENTS:</b> All numbers are cumulative and track the progress of a private proposal from the initial granting of a survey license through financial closure which signals the beginning of construction. The target numbers are cumulative and include two projects currently under construction.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997 (B)		a) 2 b) 2 c) 2 d) 2
	1998	a) 3 b) 3 c) 2 d) 2	a) 5 b) 3 c) 3 d) 2
	1999	a) 4 b) 4 c) 3 d) 3	a) b) c) d)
	2000	a) 5 b) 5 c) 4 d) 4	a) b) c) d)
	2001 (T)	a) 6 b) 6 c) 5 d) 5	a) b) c) d)
	2002	a) 7 b) 7 c) 6 d) 6	a) b) c) d)

### Performance Data Table

<b>SPECIAL OBJECTIVE 4:</b> Increased Private Sector Participation and Investment in Environmentally and Socially Sound Hydropower			
<b>APPROVED:</b> November 1997 <b>COUNTRY/ORGANIZATION:</b> Nepal			
<b>RESULT NAME:</b> Increased Private Sector Participation and Investment in Environmentally and Socially Sound Hydropower			
<b>INDICATOR:</b> 4.2 Environmental/Social Impact Assessments for hydropower proposals			
<b>UNIT OF MEASURE:</b> Number of Environmental/Social Impact Assessments	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Electricity Development Center (EDC)	1997 (B)		2
	1998	3	3
<b>INDICATOR/DESCRIPTION:</b> Cumulative number of Environmental/Social Impact Assessments approved by Ministry of Water Resources in accordance with GON regulations.	1999	4	
	2000	5	
	2001 (T)	6	
	2002	7	
<b>COMMENTS:</b> A major goal of this Special Objective is to ensure that hydropower investors adequately address environmental and social impacts of hydropower projects. Environmental and Social Impact Assessments will be carried out in accordance with the GON's Environment Protection Act of 1997 and the Environment Conservation Rules of 1997.	2003	8	

### Performance Data Table

<b>SPECIAL OBJECTIVE 4:</b> Increased Private Sector Participation and Investment in Environmentally and Socially Sound Hydropower			
<b>APPROVED:</b> November 1997 <b>COUNTRY/ORGANIZATION:</b> USAID/Nepal			
<b>RESULT NAME:</b> Increased Environmental and Social Soundness in Hydropower Investments			
<b>INDICATOR:</b> 4.2.1 Public hearings for hydropower projects conducted with local stakeholders and NGOs			
<b>UNIT OF MEASURE:</b> Number of Hearings  <b>SOURCE:</b> Electricity Development Center (EDC)  <b>INDICATOR/DESCRIPTION:</b> Cumulative number of public hearings held by private sector hydropower companies  <b>COMMENTS:</b> If the government and private sector companies hold more hearings in the local communities, the local stakeholders and Nepali NGOs will have more of an opportunity to voice their concerns.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1997 (B)		4
	1998	5	5
	1999	7	
	2000	9	
	2001 (T)	11	
	2002	12	



**FY 2001**

**RESULTS REVIEW AND RESOURCE REQUEST**

**NEPAL**

**MARCH 1999**

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## **FY 2001 R4 – USAID/Nepal**

### **Program Budget Narrative**

**Summary:** Nepal's program budget was cut by 40% overall from FY98 to FY99, after five years of relatively stable support. The 78% reductions in the non-Health and Family Planning portions of our program -- three of our four objectives -- have led to a thorough review of our options and some immediate actions to adjust future program commitments to fit budget realities. The impact of these cuts has been mitigated in part by being able to spend down our pipeline in several program areas, but this is only short term relief. Details of program changes already made and those being considered are provided below.

The FY99 cuts have come as a jolt to our assistance program, and have direct consequences for the role of the U.S. as a donor in Nepal, moving us several notches down the hierarchy of bilateral donors in annual assistance levels. The Mission will be carrying out a review of its assistance strategy over the next year, providing a timely opportunity to create a strategy which better fits future resource levels. We very much need clear indications from Washington on resource commitments for the Nepal program. In addition to levels of staff and funding, the effectiveness and contribution of our future assistance program also depends heavily on allocations among funding earmarks.

**New Strategy:** We obviously should not prejudge the outcome of our strategy review for the new millenium, but it is already apparent that two potential areas for USAID activities will receive careful attention. Discussions leading to this year's MPP have emphasized what the U.S. Government can do to improve the enabling environment for private sector participation and to better support democracy/governance activities, including decentralization. Our FY99 levels provide almost no funding for these areas, and if straightlined for several years, will make it difficult to respond to these priorities.

**Impact:** The Threshold Analysis, included as an annex for the ANE Bureau with this R4, provides more details of the current and potential impact of budget levels and earmarks. At this time, mission concern is for funding activities through to PACDs, or where necessary, until strategy changes are translated into realigned activities.

Many activities under SO 1 can be sustained by using their adequate pipeline, although some very productive activities, which are not critical to achieving this objective, will have to be terminated or radically downsized. Thus far this has included support for rural electrification and some categories of environmental programs. SO 2 is fighting to maintain the planned scope and level of its program, but has been favorably blessed with earmark allocations from Washington. If FY99 levels continue in the out years, several program areas within SO 2 will have to be cutback or eliminated, depending on which earmark areas are most reduced. SO 3 is so poorly supported by FY99 allocations that it can only be fully funded through its PACD if it receives all of the non-HFP funds in the OYBs for the next several years. This is unlikely. If there is no budget relief for SO3, this activity will be terminated before its planned completion. SPO 4 requires relatively little additional funding to complete its planned activities through mid-2001. With use of its limited resources for EG and ENV, the mission should be able to complete this activity as planned.

The sectoral allocation of resources we are receiving will have serious impact on our future strategy and program. The table below summarizes where we are, where we are going and where we would like to be.

	<b>HFP Earmarks</b>		<b>Non-HFP Earmarks</b>		<b>Total</b>
	\$ Amt.	% of Total	\$ Amt.	% of Total	\$ Amt.
<b>FY 99 OYB</b>	13624	<b>82%</b>	3000	<b>18%</b>	16624
<b>Current FY 2000 CP</b>	19780	<b>82%</b>	4400	<b>18%</b>	24180
<b>Required FY 2000</b>	19780	<b>77%</b>	6000	<b>23%</b>	25780

We are told consistently that the FY2000 CP request is unlikely to be met and we are much more likely to be straightlined at the FY99 levels. These resource levels will essentially dictate a two SO strategy – HFP plus something - regardless of the outcome of our strategy review.

**Pipelines:** The budget tables show rapid decreases in the pipelines across the program. By the end of FY2000, even with the optimistic levels projected for the FY2000 CP, three of the pipelines are down to a level equal to 6–12 months of future expenditures. If SO 2 indeed receives the levels shown for the FY2000 CP, its pipeline will be equal to about 15 months expenditures. It should be noted that these pipelines reflect the funding levels established by Washington, set against realistic expenditure levels based on Mission estimates. This creates exaggerated pipelines, which do not reflect on-the-ground realities.

**Staff and OE Resources:** OE funding has been steadily cut over recent years although at a slower rate than staff. U.S. and Nepali staff is roughly one half of what it was four years ago. Our current OE levels, carefully managed, and supplemented with appropriate use of program funding, allow the Mission to function fully and avoid major vulnerabilities. Any further OE cuts, and most definitely staff cuts, would force the Mission to adopt a limited-presence style of operation. Whole categories of activities, which require extensive staff time, could not continue to exist.

## **FY 2001 R4 – USAID/Nepal**

### **Work Force Narrative**

USAID/Nepal is still completing its painful recovery from the forced staff reductions of the 1995-1997 period. During that time our USDH levels went from 14 to 8 and the FSN levels went from 81 to 43. A good part of 1998 was spent reviewing and adjusting workloads to ensure that basic monitoring and reporting activities were covered.

To ensure that essential levels of accountability and service are met, the Mission estimates a further increase in FSN staff is needed of at least two program-funded staff assigned to SO1 and SO2, and two OE-funded staff assigned to the Program office and the Executive office.

## **FY 2001 R4 – USAID/Nepal**

### **Operating Expense Resource Narrative**

From FY 1996 to FY 1999 USAID/Nepal's Operating Expense (OE) budget has been reduced by over 21% (exclusive of ICASS charges which were not part of the Missions OE allowance prior to FY 1998). In response to these reductions, the Mission has identified and implemented a number of cost management initiatives that have allowed the continued successful implementation of our development program. Indeed, prior year investments in systems and equipment and staffing reductions have led to significant ongoing cost savings. Benefits include: reduced electrical consumption attributable to an energy conservation program; reduced residential maintenance and support costs stemming from the consolidating of house leases in the area close to the office; and reduced vehicle operation and maintenance costs through modernization of the motor pool.

The Mission has also been able to reduce ICASS support costs over the last several years through careful analysis and review of ICASS budgets. Largely as a result of USAID initiative, the Post ICASS Council took the necessary steps to achieve a major reduction in the cost of health services. Also, a vigilant comparison of services offered to services received led to a more just reflection of USAID participation in services over the past year and to a corresponding reduction in billings. In FY 1999 these efforts are expected to result in a 17% reduction from FY 1998 charges.

During FY 1999 Nepal's currency has been relatively stable and inflation has remained in check in spite of the economic turmoil affecting many of its Asian neighbors. As a result, the Foreign Service National salary and other expenditure increases have been moderate and within the amounts budgeted. This has also allowed us to manage with a reduced OE budget.

USAID/Nepal also anticipates being able to fully address immediate Y2K issues and critical emergency preparedness concerns in Nepal. With regard to the latter, Kathmandu lies in an area of considerable geological instability, with assessments indicating that a major earthquake is overdue. Given that the majority of Kathmandu's infrastructure could be expected to be lost in such a major seismic event, the US Mission is taking the threat and necessary preparations seriously. On our part, USAID/Nepal expects to spend approximately \$20,000 in FY 1999 to reinforce structural weak points in our US Government-owned building, secure communications and computer systems, and set aside emergency tools and equipment in preparation for such an eventuality. These actions are part of overall US Mission preparedness procedures.

It should be noted that USAID now fully owns the office complex in Kathmandu. The main office buildings are old and require substantial resources for maintenance. This is cost effective in comparison to renting, and our location and setbacks are extremely good from a security standpoint. However, it does make for a higher than usual requirement for maintenance costs and supplies. In order to possibly reduce this line item in the future, USAID is actively looking for other USG Agencies at Post to share our facilities and costs.

If our OE costs remain relatively stable in FY 2000, and no unforeseen major expenses arise, USAID/Nepal anticipates being able to manage Mission operations at responsible levels with a straight-lined OE budget. This assumes that inflation remains reasonable, and that Y2K preparations and earthquake security needs can be met this year.

FY 2001 presents more of a budget challenge. Operating within funding at the target level, rather than the requested amount, will require difficult management decisions to keep Mission needs within available resources. A one-year dip in adequate funding levels could be met by paring back on a combination of personnel training, supplies, and non-expendable property replacement, but given current tight and downward budget trends, a temporary solution such as this would be cosmetic. Decisions and conjecture on the long-term program implications of continued OE straight lining are inappropriate at this point in time. Full consideration of such potential options will be incorporated in the Mission's Country Assistance Strategy scheduled for completion in early 2000.

**Table 1**  
**FY 1999 Budget Request by Program/Country**  
**(\$ 000)**

15-Apr-99  
05:12 PM

Program/Country: DA/Nepal  
Approp Acct: DA/CSD  
Scenario

S.O. # , Title		FY 1999 Request													Est. S.O. Expendi- tures	Est. S.O. Pipeline End of FY 99
	Bilateral/ Field Spt	Total	Micro- Enterprise	Agri- culture	Other Economic Growth	Children's Basic Education	Other HCD	Population	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G		
SO 1: Increased Sustainable Production and Sales of Forest and High-Value Agricultural Product:																
	Bilateral	700		700											5,500	8,096
	Field Spt	300		300												
		1,000	0	1,000	0	0	0	0	0	0	0	0	0	0	5,500	8,096
SO 2: Reduced Fertility and Improved Maternal and Child Health																
	Bilateral	5,049						2,224	925	0	1,200	700			8,000	8,789
	Field Spt	8,575						5,400	575	2,000	300	300				
		13,624	0	0	0	0	0	7,624	1,500	2,000	1,500	1,000	0	0	8,000	8,789
SO 3: Increased Women's Empowerment																
	Bilateral	800	500											300	3,000	3,741
	Field Spt	0														
		800	500	0	0	0	0	0	0	0	0	0	0	300	3,000	3,741
SpO 4: Increased Private Sector Participation and Investment in Environmentally and Socially Sound Hydropower																
	Bilateral	1,200											1,200		1,300	1,212
	Field Spt	0											0			
		1,200	0	0	0	0	0	0	0	0	0	0	1,200	0	1,300	1,212
Total Bilateral		7,749	500	700	0	0	0	2,224	925	0	1,200	700	1,200	300	17,800	21,838
Total Field Support		8,875	0	300	0	0	0	5,400	575	2,000	300	300	0	0	0	0
TOTAL PROGRAM		16,624	500	1,000	0	0	0	7,624	1,500	2,000	1,500	1,000	1,200	300	17,800	21,838

FY 99 Request Agency Goal Totals	
Econ Growth	1,500
Democracy	300
HCD	0
PHN	13,624
Environment	1,200
Program ICASS	0
GCC (from all Goals)	1,350

FY 99 Account Distribution (DA only)	
Dev. Assist Program	10,624
Dev. Assist ICASS	
Dev. Assist Total:	10,624
CSD Program	6,000
CSD ICASS	
CSD Total:	6,000

**Approp Acct: DA/CSD**  
**FY 2000 Budget Request by Program/Country**  
**(\$ 000)**

15-Apr-99  
05:14 PM

Program/Country: DA/Nepal  
Approp Acct: DA/CSD  
Scenario

S.O. # , Title		FY 2000 Request												Est. S.O. Expendi- tures	Est. S.O. Pipeline End of FY 00		
	Bilateral/ Field Spt	Total	Micro- Enterprise	Agri- culture	Other Economic Growth	Children's Basic Education	Other HCD	Population	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ			D/G	
SO 1: Increased Sustainable Production and Sales of Forest and High-Value Agricultural Product:																Year of Final Oblig: 2002	
	Bilateral	3,000		2,000									1,000		5,500	5,596	
	Field Spt	0		0									0				
		3,000	0	2,000	0	0	0	0	0	0	0	0	1,000	0	5,500	5,596	
SO 2: Reduced Fertility and Improved Maternal and Child Health																Year of Final Oblig: 2002	
	Bilateral	9,430						3,950	4,230	0	1,250	0			8,500	9,719	
	Field Spt	10,350						6,350	750	2,900	350	0					
		19,780	0	0	0	0	0	10,300	4,980	2,900	1,600	0	0	0	8,500	9,719	
SO 3: Increased Women's Empowerment																Year of Final Oblig: 2000	
	Bilateral	900	500											400	3,000	1,641	
	Field Spt	0	0											0			
		900	500	0	0	0	0	0	0	0	0	0	0	400	3,000	1,641	
SpO 4: Increased Private Sector Participation and Investment in Environmentally and Socially Sound Hydropowe																Year of Final Oblig: 2000	
	Bilateral	500											500		1,100	612	
	Field Spt	0											0				
		500	0	0	0	0	0	0	0	0	0	0	500	0	1,100	612	
Total Bilateral		13,830	500	2,000	0	0	0	3,950	4,230	0	1,250	0	1,500	400	18,100	17,568	
Total Field Support		10,350	0	0	0	0	0	6,350	750	2,900	350	0	0	0	0	0	
TOTAL PROGRAM		24,180	500	2,000	0	0	0	10,300	4,980	2,900	1,600	0	1,500	400	18,100	17,568	

FY 00 Request Agency Goal Totals	
Econ Growth	2,500
Democracy	400
HCD	0
PHN	19,780
Environment	1,500
Program ICASS	0
GCC (from all Goals)	1,500

FY 00 Account Distribution (DA only)	
Dev. Assist Program	14,700
Dev. Assist ICASS	
Dev. Assist Total:	14,700
CSD Program	9,480
CSD ICASS	
CSD Total:	9,480



# **FY 2001 Budget Request by Program/Country** **(\$ 000)**

05:16 PM

Program/Country: DA/Nepal  
 Approp Acct: DA/CSD  
 Scenario

S.O. # , Title		FY 2001 Request												Est. S.O. Expendi- tures	Est. S.O. Pipeline End of FY 01	Future Cost (POST- 2001)	
	Bilateral/ Field Spt	Total	Micro- Enterprise	Agri- culture	Other Economic Growth	Children's Basic Education	Other HCD	Population	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ				D/G
SO 1: Increased Sustainable Production and Sales of Forest and High-Value Agricultural Product:															Year of Final Oblig: 2002		
	Bilateral	3,000		2,000									1,000		5,500	3,096	10,257
	Field Spt	0		0									0				
		3,000	0	2,000	0	0	0	0	0	0	0	0	1,000	0	5,500	3,096	10,257
SO 2: Reduced Fertility and Improved Maternal and Child Health															Year of Final Oblig: 2002		
	Bilateral	10,055						4,400	4,405	0	1,250	0			8,500	11,274	6,324
	Field Spt	9,725						5,900	575	2,900	350	0					
		19,780	0	0	0	0	0	10,300	4,980	2,900	1,600	0	0	0	8,500	11,274	6,324
SO 3: Increased Women's Empowerment															Year of Final Oblig: 2000		
	Bilateral	900	500											400	2,500	41	2,922
	Field Spt	0	0											0			
		900	500	0	0	0	0	0	0	0	0	0	0	400	2,500	41	2,922
SpO 4: Increased Private Sector Participation and Investment in Environmentally and Socially Sound Hydropowr															Year of Final Oblig: 2000		
	Bilateral	500											500		1,100	12	600
	Field Spt	0											0				
		500	0	0	0	0	0	0	0	0	0	0	500	0	1,100	12	600
Total Bilateral		14,455	500	2,000	0	0	0	4,400	4,405	0	1,250	0	1,500	400	17,600	14,423	20,103
Total Field Support		9,725	0	0	0	0	0	5,900	575	2,900	350	0	0	0	0	0	0
TOTAL PROGRAM		24,180	500	2,000	0	0	0	10,300	4,980	2,900	1,600	0	1,500	400	17,600	14,423	20,103

FY 01 Request Agency Goal Totals	
Econ Growth	2,500
Democracy	400
HCD	0
PHN	19,780
Environment	1,500
Program ICASS	0
GCC (from all Goals)	1,500

FY 01 Account Distribution (DA only)	
Dev. Assist Program	14,700
Dev. Assist ICASS	
Dev. Assist Total:	14,700
CSD Program	9,480
CSD ICASS	
CSD Total:	9,480

Table 2

Accessing Global Bureau Services Through Field Support and Buy-Ins							
Objective Name	Field Support and Buy-Ins: Activity Title & Number	Priority	Duration	Estimated Funding (\$000)			
				FY 2000		FY 2001	
				Obligated by:		Obligated by:	
				Operating Unit	Global Bureau	Operating Unit	Global Bureau
<b>SO 2 : Reduced Fertility and Improved Maternal and Child Health</b>							
	936-3038.02 - Family Planning Logistics Management (FPLM) - JSI	Medium High	9/95-9/00	----	350	----	200
	936-3052 - JHU/PCS	High	1995-2000	----	1,000	----	1,000
	936-3057 - Central Contraceptive Procurement (CCP)	High	1990-2003	----	800	----	700
	936-3068 - Program for Voluntary Surgical Contraception (AVSC)	High	8/93-8/98	----	1,350	----	1,350
	936-3069 - Training in Reproductive Health (JHPIEGO)	High	8/93-6/99	----	800	----	800
	936-3070 - Population Leaders Program (PLP)	High	9/94-9/00	----	250	----	250
	936-3079 - Contraceptive Technology Research (CTR/FHI)	Medium High	1995-2000	----	425	----	350
	936-3083.01 - MEASURE DHS+	Medium High	10/97-09/02	----	700	----	400
	936-3084.03 - CEDPA (ENABLE)	Medium	1998-2000	----	900	----	900
	936-3085 - Commercial Market Strategies (CMS)	Medium	N/A	----	150	----	150
	936-3092.01 - Maternal/Neonatal Health (MNH) : JHPIEGO	Medium High	N/A	----	250	----	250
	936-5970 - Technical Advisors in AIDS and Child Survival (TAACS)	High	9/87-9/02	----	250	----	275
	936-5974.08 - Rational Pharmaceutical Management (RPM/MSH)	Medium	9/92-9/99	----	350	----	350
	936-5974.09 - Rational Pharmaceutical Management (RPM/USP)	Medium	9/92-9/99	----	125	----	125
	936-5986.06 - Child Health Research (ICDDR,B)	Medium	1/96-12/00	----	200	----	200
	936-5992.02 - Quality Assurance (QA)	Medium	9/96-9/01	----	150	----	150
	936-5994.01 - Environmental Health Project (EHP) - II (follow-on)	Medium High	3/93-3/99	----	1,975	----	1,900
	936-5994.03 - CDC PASA	Medium	9/95-12/03	----	50	----	100
	936-6004.08 - Health and Child Survival Fellows (HCSF) Program	High	10/97-9/02	----	275	----	275
<b>T O T A L</b>				----	<b>10,350</b>	----	<b>9,725</b>

Table 3

## Workforce Tables

Org NEPAL End of year On-Board  <b>FY 1999 Estimate</b>	SO 1	SO 2	SO 3	SO 4	SO 5	SpO4	SpO2	Total SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
<b>OE Funded: 1/</b>																
U.S. Direct Hire	2	1	1					4	2	1	1				4	8
Other U.S. Citizens								0	2			1			3	3
FSN/TCN Direct Hire	1							1		2					2	3
Other FSN/TCN	5	5	1				1	12	4	6	13	2			25	37
Subtotal	8	6	2	0	0	1	0	17	8	9	14	3	0	0	34	51
<b>Program Funded 1/</b>																
U.S. Citizens		1	1					2							0	2
FSNs/TCNs	3	2	1				1	7							0	7
Subtotal	3	3	2	0	0	1	0	9	0	0	0	0	0	0	0	9
Total Direct Workforce	11	9	4	0	0	2	0	26	8	9	14	3	0	0	34	60
TAACS		1						1							0	1
Fellows		2						2							0	2
IDIs								0							0	0
Subtotal	0	3	0	0	0	0	0	3	0	0	0	0	0	0	0	3
<b>TOTAL WORKFORCE</b>	11	12	4	0	0	2	0	29	8	9	14	3	0	0	34	63

Table 3

Workforce Tables

	SO 1	SO 2	SO 3	SO 4	SO 5	SpO4	SpO2	Total SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
<b>FY 2000 Target</b>																
<b>OE Funded: 1/</b>																
U.S. Direct Hire	2	1	1					4	2	1	1				4	8
Other U.S. Citizens								0	2			1			3	3
FSN/TCN Direct Hire	1							1		2					2	3
Other FSN/TCN	3	3	1				1	8	5	6	14	2			27	35
Subtotal	6	4	2	0	0	1	0	13	9	9	15	3	0	0	36	49
<b>Program Funded 1/</b>																
U.S. Citizens		1	1					2							0	2
FSNs/TCNs	6	5	1				1	13							0	13
Subtotal	6	6	2	0	0	1	0	15	0	0	0	0	0	0	0	15
Total Direct Workforce	12	10	4	0	0	2	0	28	9	9	15	3	0	0	36	64
TAACS								0							0	0
Fellows								0							0	0
IDIs								0							0	0
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL WORKFORCE</b>	12	10	4	0	0	2	0	28	9	9	15	3	0	0	36	64

<b>FY 2000 Request</b>																
<b>OE Funded: 1/</b>																
U.S. Direct Hire	2	1	1					4	2	1	1				4	8
Other U.S. Citizens								0	2			1			3	3
FSN/TCN Direct Hire	1							1		2					2	3
Other FSN/TCN	3	3	1				1	8	5	6	14	2			27	35
Subtotal	6	4	2	0	0	1	0	13	9	9	15	3	0	0	36	49
<b>Program Funded 1/</b>																
U.S. Citizens		1	1					2							0	2
FSNs/TCNs	6	5	1				1	13							0	13
Subtotal	6	6	2	0	0	1	0	15	0	0	0	0	0	0	0	15
Total Direct Workforce	12	10	4	0	0	2	0	28	9	9	15	3	0	0	36	64
TAACS		1						1							0	1
Fellows		2						2							0	2
IDIs								0							0	0
Subtotal	0	3	0	0	0	0	0	3	0	0	0	0	0	0	0	3
<b>TOTAL WORKFORCE</b>	12	13	4	0	0	2	0	31	9	9	15	3	0	0	36	67

Table 3

Workforce Tables

Org NEPAL End of year On-Board								Total SO/SpO Staff							Total Mgmt.	Total Staff
<b>FY 2001 Target</b>	SO 1	SO 2	SO 3	SO 4	SO 5	SpO4	SpO2		Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other		
<b>OE Funded: 1/</b>																
U.S. Direct Hire	2	1	1					4	2	1	1				4	8
Other U.S. Citizens								0	2			1			3	3
FSN/TCN Direct Hire	1							1		2					2	3
Other FSN/TCN	3	3	1				0	7	5	6	14	2			27	34
Subtotal	6	4	2	0	0	0	0	12	9	9	15	3	0	0	36	48
<b>Program Funded 1/</b>																
U.S. Citizens		1	1					2							0	2
FSNs/TCNs	6	5	1				1	13							0	13
Subtotal	6	6	2	0	0	1	0	15	0	0	0	0	0	0	0	15
Total Direct Workforce	12	10	4	0	0	1	0	27	9	9	15	3	0	0	36	63
TAACS		1						1							0	1
Fellows		2						2							0	2
IDIs								0							0	0
Subtotal	0	3	0	0	0	0	0	3	0	0	0	0	0	0	0	3
TOTAL WORKFORCE	12	13	4	0	0	1	0	30	9	9	15	3	0	0	36	66

<b>FY 2001 Request</b>																
<b>OE Funded: 1/</b>																
U.S. Direct Hire	2	1	1					4	2	1	1				4	8
Other U.S. Citizens								0	2			1			3	3
FSN/TCN Direct Hire	1							1		2					2	3
Other FSN/TCN	3	3	1					7	5	6	14	2			27	34
Subtotal	6	4	2	0	0	0	0	12	9	9	15	3	0	0	36	48
<b>Program Funded 1/</b>																
U.S. Citizens		1	1					2							0	2
FSNs/TCNs	6	5	1				1	13							0	13
Subtotal	6	6	2	0	0	1	0	15	0	0	0	0	0	0	0	15
Total Direct Workforce	12	10	4	0	0	1	0	27	9	9	15	3	0	0	36	63
TAACS		1						1							0	1
Fellows		2						2							0	2
IDIs								0							0	0
Subtotal	0	3	0	0	0	0	0	3	0	0	0	0	0	0	0	3
TOTAL WORKFORCE	12	13	4	0	0	1	0	30	9	9	15	3	0	0	36	66

Table 4

MISSION: USAID/NEPAL

USDH STAFFING REQUIREMENTS BY SKILL CODE

BACKSTOP (BS)	NO. OF USDH EMPLOYEES IN BACKSTOP FY 1999	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2000	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2001	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2002
01 SMG	1	1	1	1
02 Program Officer	1	1	1	1
03 EXO	1	1	1	1
04 Controller	1	1	1	1
05/06/07 Secretary				
10 Agriculture	2	2	2	2
11 Economics				
12 GDO	1	1	1	1
12 Democracy				
14 Rural Development				
15 Food for Peace				
21 Private Enterprise				
25 Engineering				
40 Environment				
50 Health/Pop.	1	1	1	1
60 Education				
75 Physical Sciences				
85 Legal				
92 Commodity Mgt				
93 Contract Mgt				
94 PDO				
95 IDI				
Other				
<b>TOTAL</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

Table 5

## Operating Expenses

Org. Title: Org. No:		USAID/NEPAL 367		Overseas Mission Budgets														
				FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
				Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
11.1	Base Pay & pymt. for annual leave balances - FNDH	22.5		22.5	25.5		25.5	25.5		25.5	26.4		26.4	26.4		26.4		
	Subtotal OC 11.1	22.5	0.0	22.5	25.5	0.0	25.5	25.5	0.0	25.5	26.4	0.0	26.4	26.4	0.0	26.4		
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
11.3	Base Pay & pymt. for annual leave balances - FNDH			0.0			0.0			0.0			0.0			0.0		
	Subtotal OC 11.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
11.5	USDH			0.0			0.0			0.0			0.0			0.0		
11.5	FNDH	17.6		17.6	18.1		18.1	18.1		18.1	18.5		18.5	18.5		18.5		
	Subtotal OC 11.5	17.6	0.0	17.6	18.1	0.0	18.1	18.1	0.0	18.1	18.5	0.0	18.5	18.5	0.0	18.5		
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
11.8	USPSC Salaries	135.5		135.5	146.3		146.3	146.3		146.3	151.3		151.3	151.3		151.3		
11.8	FN PSC Salaries	229.9		229.9	246.7		246.7	246.7		246.7	255.7		255.7	255.7		255.7		
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0.0			0.0			0.0			0.0			0.0		
	Subtotal OC 11.8	365.4	0.0	365.4	393.0	0.0	393.0	393.0	0.0	393.0	407.0	0.0	407.0	407.0	0.0	407.0		
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
12.1	Educational Allowances	87.0		87.0	135.6		135.6	135.6		135.6	133.1		133.1	147.8		147.8		
12.1	Cost of Living Allowances			0.0			0.0			0.0			0.0			0.0		
12.1	Home Service Transfer Allowances			0.0			0.0			0.0			0.0			0.0		
12.1	Quarters Allowances			0.0			0.0			0.0			0.0			0.0		
12.1	Other Misc. USDH Benefits	2.5		2.5	1.4		1.4	1.4		1.4	0.7		0.7	0.7		0.7		
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
12.1	** Payments to FSN Voluntary Separation Fund - FNDH	2.0		2.0	2.9		2.9	2.9		2.9	2.9		2.9	2.9		2.9		
12.1	Other FNDH Benefits	6.8		6.8	7.5		7.5	7.5		7.5	7.8		7.8	7.8		7.8		
12.1	US PSC Benefits			0.0			0.0			0.0			0.0			0.0		
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
12.1	** Payments to the FSN Voluntary Separation Fund - FN PSC	23.7		23.7	24.9		24.9	24.9		24.9	26.0		26.0	26.0		26.0		
12.1	Other FN PSC Benefits	78.1		78.1	83.0		83.0	83.0		83.0	86.0		86.0	86.0		86.0		
12.1	IPA/Detail-In/PASA/RSSA Benefits			0.0			0.0			0.0			0.0			0.0		
	Subtotal OC 12.1	200.1	0.0	200.1	255.3	0.0	255.3	255.3	0.0	255.3	256.5	0.0	256.5	271.2	0.0	271.2		
13.0	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
13.0	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
13.0	Severance Payments for FNDH			0.0			0.0			0.0			0.0			0.0		
13.0	Other Benefits for Former Personnel - FNDH			0.0			0.0			0.0			0.0			0.0		
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line				
13.0	Severance Payments for FN PSCs			0.0			0.0			0.0			0.0			0.0		
13.0	Other Benefits for Former Personnel - FN PSCs			0.0			0.0			0.0			0.0			0.0		
	Subtotal OC 13.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		

Table 5

## Operating Expenses

Org. Title: USAID/NEPAL		Overseas Mission Budgets														
Org. No: 367		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
21.0	Travel and transportation of persons:	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Training Travel	35.0		35.0	34.5		34.5	34.5		34.5	33.6		33.6	30.0		30.0
21.0	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Post Assignment Travel - to field	21.6		21.6	14.4		14.4	14.4		14.4	8.0		8.0	8.0		8.0
21.0	Assignment to Washington Travel	8.5		8.5	4.6		4.6	4.6		4.6			0.0			0.0
21.0	Home Leave Travel	8.6		8.6	15.2		15.2	15.2		15.2	54.4		54.4	54.4		54.4
21.0	R & R Travel	14.3		14.3	20.8		20.8	20.8		20.8	6.5		6.5	6.5		6.5
21.0	Education Travel	9.4		9.4	4.5		4.5	4.5		4.5	4.5		4.5	4.5		4.5
21.0	Evacuation Travel	13.3		13.3	10.0		10.0	10.0		10.0	10.0		10.0	15.0		15.0
21.0	Retirement Travel			0.0			0.0			0.0	3.9		3.9	3.9		3.9
21.0	Pre-Employment Invitational Travel			0.0			0.0			0.0			0.0			0.0
21.0	Other Mandatory/Statutory Travel			0.0			0.0			0.0			0.0			0.0
21.0	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel	5.0		5.0			0.0			0.0			0.0			0.0
21.0	Site Visits - Mission Personnel	30.0		30.0	33.1		33.1	33.1		33.1	29.0		29.0	35.0		35.0
21.0	Conferences/Seminars/Meetings/Retreats	25.0		25.0	24.1		24.1	24.1		24.1	23.0		23.0	26.0		26.0
21.0	Assessment Travel			0.0			0.0			0.0			0.0			0.0
21.0	Impact Evaluation Travel			0.0			0.0			0.0			0.0			0.0
21.0	Disaster Travel (to respond to specific disasters)			0.0			0.0			0.0			0.0			0.0
21.0	Recruitment Travel			0.0			0.0			0.0			0.0			0.0
21.0	Other Operational Travel	32.1		32.1	29.5		29.5	29.5		29.5	27.0		27.0	31.2		31.2
Subtotal OC 21.0		202.8	0.0	202.8	190.7	0.0	190.7	190.7	0.0	190.7	199.9	0.0	199.9	214.5	0.0	214.5
22.0	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight	100.0		100.0	76.0		76.0	76.0		76.0	26.0		26.0	26.0		26.0
22.0	Home Leave Freight	8.0		8.0	5.4		5.4	5.4		5.4	38.4		38.4	38.4		38.4
22.0	Retirement Freight			0.0			0.0			0.0	26.0		26.0	26.0		26.0
22.0	Transportation/Freight for Office Furniture/Equip.	8.3		8.3	15.0		15.0	15.0		15.0	0.3		0.3	0.3		0.3
22.0	Transportation/Freight for Res. Furniture/Equip.	5.0		5.0			0.0			0.0			0.0			0.0
Subtotal OC 22.0		121.3	0.0	121.3	96.4	0.0	96.4	96.4	0.0	96.4	90.7	0.0	90.7	90.7	0.0	90.7
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space			0.0			0.0			0.0			0.0			0.0
23.2	Rental Payments to Others - Warehouse Space			0.0			0.0			0.0			0.0			0.0
23.2	Rental Payments to Others - Residences	89.9		89.9	91.2		91.2	91.2		91.2	94.8		94.8	94.8		94.8
Subtotal OC 23.2		89.9	0.0	89.9	91.2	0.0	91.2	91.2	0.0	91.2	94.8	0.0	94.8	94.8	0.0	94.8
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities	55.6		55.6	60.6		60.6	60.6		60.6	60.6		60.6	60.6		60.6
23.3	Residential Utilities	51.0		51.0	56.0		56.0	56.0		56.0	59.0		59.0	59.0		59.0
23.3	Telephone Costs	20.0		20.0	21.2		21.2	21.2		21.2	24.2		24.2	24.2		24.2
23.3	ADP Software Leases			0.0			0.0			0.0			0.0			0.0
23.3	ADP Hardware Leases			0.0			0.0			0.0			0.0			0.0
23.3	Commercial Time Sharing			0.0			0.0			0.0			0.0			0.0
23.3	Postal Fees (Other than APO Mail)	0.4		0.4	0.5		0.5	0.5		0.5	0.3		0.3	0.3		0.3
23.3	Other Mail Service Costs	1.4		1.4	1.5		1.5	1.5		1.5	2.0		2.0	2.0		2.0
23.3	Courier Services	2.2		2.2	2.2		2.2	2.2		2.2	2.5		2.5	2.5		2.5
Subtotal OC 23.3		130.6	0.0	130.6	142.0	0.0	142.0	142.0	0.0	142.0	148.6	0.0	148.6	148.6	0.0	148.6



Table 5

## Operating Expenses

Org. Title: USAID/NEPAL Org. No: 367 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
24.0	Printing and Reproduction	3.0		3.0	3.0		3.0	3.0		3.0	3.0		3.0	3.5		3.5
	Subtotal OC 24.0	3.0	0.0	3.0	3.0	0.0	3.0	3.0	0.0	3.0	3.0	0.0	3.0	3.5	0.0	3.5
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations			0.0			0.0			0.0			0.0			0.0
25.1	Management & Professional Support Services			0.0			0.0			0.0			0.0			0.0
25.1	Engineering & Technical Services			0.0			0.0			0.0			0.0			0.0
	Subtotal OC 25.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards	27.1		27.1	30.0		30.0	30.0		30.0	31.0		31.0	31.0		31.0
25.2	Residential Security Guard Services	30.7		30.7	33.0		33.0	33.0		33.0	34.0		34.0	34.0		34.0
25.2	Official Residential Expenses			0.0			0.0			0.0			0.0			0.0
25.2	Representation Allowances	0.8		0.8	0.9		0.9	0.9		0.9	0.9		0.9	0.9		0.9
25.2	Non-Federal Audits			0.0			0.0			0.0			0.0			0.0
25.2	Grievances/Investigations			0.0			0.0			0.0			0.0			0.0
25.2	Insurance and Vehicle Registration Fees	0.2		0.2	0.3		0.3	0.3		0.3	0.3		0.3	0.3		0.3
25.2	Vehicle Rental			0.0			0.0			0.0			0.0			0.0
25.2	Manpower Contracts	271.2		271.2	290.6		290.6	290.6		290.6	294.2		294.2	294.2		294.2
25.2	Records Declassification & Other Records Services			0.0			0.0			0.0			0.0			0.0
25.2	Recruiting activities			0.0			0.0			0.0			0.0			0.0
25.2	Penalty Interest Payments	0.3		0.3	0.3		0.3	0.3		0.3	0.3		0.3	0.3		0.3
25.2	Other Miscellaneous Services	64.0		64.0	40.6		40.6	40.6		40.6	41.3		41.3	41.3		41.3
25.2	Staff training contracts	2.0		2.0	2.0		2.0	2.0		2.0	1.0		1.0	2.3		2.3
25.2	ADP related contracts			0.0			0.0			0.0			0.0			0.0
	Subtotal OC 25.2	396.3	0.0	396.3	397.7	0.0	397.7	397.7	0.0	397.7	403.0	0.0	403.0	404.3	0.0	404.3
25.3	Purchase of goods and services from Government account	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS	116.0		116.0	134.0		134.0	134.0		134.0	148.0		148.0	148.0		148.0
25.3	All Other Services from Other Gov't. account			0.0			0.0			0.0			0.0			0.0
	Subtotal OC 25.3	116.0	0.0	116.0	134.0	0.0	134.0	134.0	0.0	134.0	148.0	0.0	148.0	148.0	0.0	148.0
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance	10.0		10.0	5.0		5.0	5.0		5.0	5.0		5.0	11.0		11.0
25.4	Residential Building Maintenance	10.0		10.0	5.0		5.0	5.0		5.0	5.0		5.0	11.0		11.0
	Subtotal OC 25.4	20.0	0.0	20.0	10.0	0.0	10.0	10.0	0.0	10.0	10.0	0.0	10.0	22.0	0.0	22.0
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs	6.7		6.7	6.8		6.8	6.8		6.8	6.8		6.8	6.8		6.8
25.7	Storage Services			0.0			0.0			0.0			0.0			0.0
25.7	Office Furniture/Equip. Repair and Maintenance	6.4		6.4	5.6		5.6	5.6		5.6	3.4		3.4	7.7		7.7
25.7	Vehicle Repair and Maintenance			0.0			0.0			0.0			0.0			0.0
25.7	Residential Furniture/Equip. Repair and Maintenance			0.0			0.0			0.0			0.0			0.0
	Subtotal OC 25.7	13.1	0.0	13.1	12.4	0.0	12.4	12.4	0.0	12.4	10.2	0.0	10.2	14.5	0.0	14.5
25.8	Subsistence & spt. of persons (by contract or Gov't.			0.0			0.0			0.0			0.0			0.0
	Subtotal OC 25.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26.0	Supplies and materials	188.0		188.0	181.4		181.4	181.4		181.4	172.5		172.5	185.0		185.0
	Subtotal OC 26.0	188.0	0.0	188.0	181.4	0.0	181.4	181.4	0.0	181.4	172.5	0.0	172.5	185.0	0.0	185.0

Table 5

## Operating Expenses

Org. Title: USAID/NEPAL Org. No: 367 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
31.0	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.	30.0		30.0		0.0		0.0		0.0	10.9		10.9	16.0		16.0
31.0	Purchase of Office Furniture/Equip.	25.9		25.9	49.3		49.3	49.3		49.3			0.0			0.0
31.0	Purchase of Vehicles			0.0			0.0			0.0			0.0			0.0
31.0	Purchase of Printing/Graphics Equipment			0.0			0.0			0.0			0.0			0.0
31.0	ADP Hardware purchases	49.5		49.5			0.0			0.0			0.0	15.0		15.0
31.0	ADP Software purchases	8.0		8.0			0.0			0.0			0.0	5.0		5.0
Subtotal OC 31.0		113.4	0.0	113.4	49.3	0.0	49.3	49.3	0.0	49.3	10.9	0.0	10.9	36.0	0.0	36.0
32.0	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0	Purchase of Land & Buildings (& bldg. construction)			0.0			0.0			0.0			0.0			0.0
32.0	Purchase of fixed equipment for buildings			0.0			0.0			0.0			0.0			0.0
32.0	Building Renovations/Alterations - Office			0.0			0.0			0.0			0.0			0.0
32.0	Building Renovations/Alterations - Residential			0.0			0.0			0.0			0.0			0.0
Subtotal OC 32.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
42.0	Claims and indemnities			0.0			0.0			0.0			0.0			0.0
Subtotal OC 42.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL BUDGET		2,000.0	0.0	2,000.0	2,000.0	0.0	2,000.0	2,000.0	0.0	2,000.0	2,000.0	0.0	2,000.0	2,085.0	0.0	2,085.0

## Additional Mandatory Information

Dollars Used for Local Currency Purchases	<u>1,059.2</u>		<u>1,095.2</u>		<u>1,095.2</u>		<u>1,101.2</u>		<u>1,140.8</u>
Exchange Rate Used in Computations	<u>67.35</u>		<u>67.35</u>		<u>67.35</u>		<u>67.35</u>		<u>67.35</u>

\*\* If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund  
On that form, OE funded deposits must equal: 25.7 27.8 27.8 28.9 28.9

Table 6

## Controller Operations

Org. Title: USAID/NEPAL Org. No: 23367 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH	12.8		12.8	14.1		14.1	14.1		14.1	14.6		14.6	14.6		14.6
	Subtotal OC 11.1	12.8	0.0	12.8	14.1	0.0	14.1	14.1	0.0	14.1	14.6	0.0	14.6	14.6	0.0	14.6
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH			0.0			0.0			0.0			0.0			0.0
	Subtotal OC 11.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH			0.0			0.0			0.0			0.0			0.0
11.5	FNDH	6.8		6.8	7.3		7.3	7.3		7.3	7.5		7.5	7.5		7.5
	Subtotal OC 11.5	6.8	0.0	6.8	7.3	0.0	7.3	7.3	0.0	7.3	7.5	0.0	7.5	7.5	0.0	7.5
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries			0.0			0.0			0.0			0.0			0.0
11.8	FN PSC Salaries	38.8		38.8	48.1		48.1	48.1		48.1	49.8		49.8	49.8		49.8
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0.0			0.0			0.0			0.0			0.0
	Subtotal OC 11.8	38.8	0.0	38.8	48.1	0.0	48.1	48.1	0.0	48.1	49.8	0.0	49.8	49.8	0.0	49.8
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances	28.5		28.5	28.5		28.5	28.5		28.5	28.5		28.5	33.4		33.4
12.1	Cost of Living Allowances			0.0			0.0			0.0			0.0			0.0
12.1	Home Service Transfer Allowances			0.0			0.0			0.0			0.0			0.0
12.1	Quarters Allowances			0.0			0.0			0.0			0.0			0.0
12.1	Other Misc. USDH Benefits			0.0			0.0			0.0			0.0			0.0
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to FSN Voluntary Separation Fund - FNDH	1.1		1.1	2.0		2.0	2.0		2.0	5.1		5.1	5.1		5.1
12.1	Other FNDH Benefits	3.1		3.1	3.4		3.4	3.4		3.4	3.5		3.5	3.5		3.5
12.1	US PSC Benefits			0.0			0.0			0.0			0.0			0.0
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to the FSN Voluntary Separation Fund - FN PSC	5.1		5.1	5.1		5.1	5.1		5.1	5.1		5.1	5.1		5.1
12.1	Other FN PSC Benefits	18.4		18.4	14.8		14.8	14.8		14.8	15.4		15.4	15.4		15.4
12.1	IPA/Detail-In/PASA/RSSA Benefits			0.0			0.0			0.0			0.0			0.0
	Subtotal OC 12.1	56.2	0.0	56.2	53.8	0.0	53.8	53.8	0.0	53.8	57.6	0.0	57.6	62.5	0.0	62.5
13.0	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FNDH			0.0			0.0			0.0			0.0			0.0
13.0	Other Benefits for Former Personnel - FNDH			0.0			0.0			0.0			0.0			0.0
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FN PSCs			0.0			0.0			0.0			0.0			0.0
13.0	Other Benefits for Former Personnel - FN PSCs			0.0			0.0			0.0			0.0			0.0
	Subtotal OC 13.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Table 6

## Controller Operations

Org. Title: USAID/NEPAL		Overseas Mission Budgets														
Org. No: 23367		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
21.0	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Training Travel	3.9		3.9	3.8		3.8	3.8		3.8	3.3		3.3	3.3		3.3
21.0	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Post Assignment Travel - to field			0.0			0.0			0.0			0.0			0.0
21.0	Assignment to Washington Travel			0.0			0.0			0.0			0.0			0.0
21.0	Home Leave Travel			0.0	15.2		15.2	15.2		15.2			0.0			0.0
21.0	R & R Travel	7.8		7.8			0.0			0.0			0.0			0.0
21.0	Education Travel			0.0			0.0			0.0			0.0			0.0
21.0	Evacuation Travel	1.7		1.7	1.9		1.9	1.9		1.9	1.0		1.0	1.9		1.9
21.0	Retirement Travel			0.0			0.0			0.0			0.0			0.0
21.0	Pre-Employment Invitational Travel			0.0			0.0			0.0			0.0			0.0
21.0	Other Mandatory/Statutory Travel			0.0			0.0			0.0			0.0			0.0
21.0	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel			0.0			0.0			0.0			0.0			0.0
21.0	Site Visits - Mission Personnel	4.1		4.1	5.6		5.6	5.6		5.6	4.5		4.5	4.8		4.8
21.0	Conferences/Seminars/Meetings/Retreats	2.8		2.8	2.7		2.7	2.7		2.7	2.5		2.5	2.9		2.9
21.0	Assessment Travel			0.0			0.0			0.0			0.0			0.0
21.0	Impact Evaluation Travel			0.0			0.0			0.0			0.0			0.0
21.0	Disaster Travel (to respond to specific disasters)			0.0			0.0			0.0			0.0			0.0
21.0	Recruitment Travel			0.0			0.0			0.0			0.0			0.0
21.0	Other Operational Travel			0.0			0.0			0.0			0.0			0.0
	Subtotal OC 21.0	20.3	0.0	20.3	29.2	0.0	29.2	29.2	0.0	29.2	11.3	0.0	11.3	12.9	0.0	12.9
22.0	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight			0.0			0.0			0.0			0.0			0.0
22.0	Home Leave Freight			0.0	5.4		5.4	5.4		5.4			0.0			0.0
22.0	Retirement Freight			0.0			0.0			0.0			0.0			0.0
22.0	Transportation/Freight for Office Furniture/Equip.	1.6		1.6	2.4		2.4	2.4		2.4	0.9		0.9	0.9		0.9
22.0	Transportation/Freight for Res. Furniture/Equip.	1.0		1.0			0.0			0.0			0.0			0.0
	Subtotal OC 22.0	2.6	0.0	2.6	7.8	0.0	7.8	7.8	0.0	7.8	0.9	0.0	0.9	0.9	0.0	0.9
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space			0.0			0.0			0.0			0.0			0.0
23.2	Rental Payments to Others - Warehouse Space			0.0			0.0			0.0			0.0			0.0
23.2	Rental Payments to Others - Residences	14.3		14.3	15.3		15.3	15.3		15.3	15.7		15.7	15.7		15.7
	Subtotal OC 23.2	14.3	0.0	14.3	15.3	0.0	15.3	15.3	0.0	15.3	15.7	0.0	15.7	15.7	0.0	15.7
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities	10.5		10.5	11.4		11.4	11.4		11.4	11.4		11.4	11.4		11.4
23.3	Residential Utilities	6.4		6.4	7.0		7.0	7.0		7.0	7.4		7.4	7.4		7.4
23.3	Telephone Costs	3.8		3.8	4.0		4.0	4.0		4.0	4.5		4.5	4.5		4.5
23.3	ADP Software Leases			0.0			0.0			0.0			0.0			0.0
23.3	ADP Hardware Lease			0.0			0.0			0.0			0.0			0.0
23.3	Commercial Time Sharing			0.0			0.0			0.0			0.0			0.0
23.3	Postal Fees (Other than APO Mail)	0.1		0.1	0.1		0.1	0.1		0.1	0.1		0.1	0.1		0.1
23.3	Other Mail Service Costs	0.3		0.3	0.3		0.3	0.3		0.3	0.4		0.4	0.4		0.4

Table 6

## Controller Operations

Org. Title: USAID/NEPAL		Overseas Mission Budgets														
Org. No: 23367		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
OC		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
23.3	Courier Services	0.4		0.4	0.4		0.4	0.4		0.4	0.5		0.5	0.5		0.5
	Subtotal OC 23.3	21.5	0.0	21.5	23.2	0.0	23.2	23.2	0.0	23.2	24.3	0.0	24.3	24.3	0.0	24.3
24.0	Printing and Reproduction	0.6		0.6	0.6		0.6	0.6		0.6	0.7		0.7	0.7		0.7
	Subtotal OC 24.0	0.6	0.0	0.6	0.6	0.0	0.6	0.6	0.0	0.6	0.7	0.0	0.7	0.7	0.0	0.7
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations			0.0			0.0			0.0			0.0			0.0
25.1	Management & Professional Support Services			0.0			0.0			0.0			0.0			0.0
25.1	Engineering & Technical Services			0.0			0.0			0.0			0.0			0.0
	Subtotal OC 25.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards	5.1		5.1	5.6		5.6	5.6		5.6	5.8		5.8	5.8		5.8
25.2	Residential Security Guard Services	3.8		3.8	4.1		4.1	4.1		4.1	4.3		4.3	4.3		4.3
25.2	Official Residential Expenses			0.0			0.0			0.0			0.0			0.0
25.2	Representation Allowances			0.0			0.0			0.0			0.0			0.0
25.2	Non-Federal Audits			0.0			0.0			0.0			0.0			0.0
25.2	Grievances/Investigations			0.0			0.0			0.0			0.0			0.0
25.2	Insurance and Vehicle Registration Fees			0.0			0.0			0.0			0.0			0.0
25.2	Vehicle Rental			0.0			0.0			0.0			0.0			0.0
25.2	Manpower Contracts	51.0		51.0	54.6		54.6	54.6		54.6	55.3		55.3	55.3		55.3
25.2	Records Declassification & Other Records Services			0.0			0.0			0.0			0.0			0.0
25.2	Recruiting activities			0.0			0.0			0.0			0.0			0.0
25.2	Penalty Interest Payments			0.0			0.0			0.0			0.0			0.0
25.2	Other Miscellaneous Services	12.0		12.0	7.6		7.6	7.6		7.6	7.8		7.8	7.8		7.8
25.2	Staff training contracts	0.2		0.2	0.4		0.4	0.4		0.4	0.4		0.4	0.4		0.4
25.2	ADP related contracts			0.0			0.0			0.0			0.0			0.0
	Subtotal OC 25.2	72.1	0.0	72.1	72.3	0.0	72.3	72.3	0.0	72.3	73.6	0.0	73.6	73.6	0.0	73.6
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS	14.5		14.5	16.8		16.8	16.8		16.8	18.5		18.5	18.5		18.5
25.3	All Other Services from Other Gov't. accounts			0.0			0.0			0.0			0.0			0.0
	Subtotal OC 25.3	14.5	0.0	14.5	16.8	0.0	16.8	16.8	0.0	16.8	18.5	0.0	18.5	18.5	0.0	18.5
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance	1.9		1.9	0.9		0.9	0.9		0.9	1.5		1.5	2.1		2.1
25.4	Residential Building Maintenance	1.3		1.3	0.6		0.6	0.6		0.6	0.8		0.8	1.4		1.4
	Subtotal OC 25.4	3.2	0.0	3.2	1.5	0.0	1.5	1.5	0.0	1.5	2.3	0.0	2.3	3.5	0.0	3.5
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs	1.3		1.3	1.3		1.3	1.3		1.3	1.3		1.3	1.3		1.3
25.7	Storage Services			0.0			0.0			0.0			0.0			0.0
25.7	Office Furniture/Equip. Repair and Maintenance	1.2		1.2	1.0		1.0	1.0		1.0	0.8		0.8	1.4		1.4
25.7	Vehicle Repair and Maintenance			0.0			0.0			0.0			0.0			0.0

Table 6

## Controller Operations

Org. Title: USAID/NEPAL Org. No: 23367 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.7	Residential Furniture/Equip. Repair and Maintenance			0.0			0.0			0.0			0.0			0.0
	Subtotal OC 25.7	2.5	0.0	2.5	2.3	0.0	2.3	2.3	0.0	2.3	2.1	0.0	2.1	2.7	0.0	2.7
25.8	Subsistence & spt. of persons (by contract or Gov't.)			0.0			0.0			0.0			0.0			0.0
	Subtotal OC 25.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26.0	Supplies and materials	35.3		35.3	34.1		34.1	34.1		34.1	30.0		30.0	34.8		34.8
	Subtotal OC 26.0	35.3	0.0	35.3	34.1	0.0	34.1	34.1	0.0	34.1	30.0	0.0	30.0	34.8	0.0	34.8
31.0	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.	3.8		3.8			0.0			0.0	2.0		2.0	3.0		3.0
31.0	Purchase of Office Furniture/Equip.	4.9		4.9	10.0		10.0	10.0		10.0			0.0			0.0
31.0	Purchase of Vehicles			0.0			0.0			0.0			0.0			0.0
31.0	Purchase of Printing/Graphics Equipment			0.0			0.0			0.0			0.0			0.0
31.0	ADP Hardware purchases	9.3		9.3			0.0			0.0			0.0	2.3		2.3
31.0	ADP Software purchases	1.5		1.5			0.0			0.0			0.0	0.8		0.8
	Subtotal OC 31.0	19.5	0.0	19.5	10.0	0.0	10.0	10.0	0.0	10.0	2.0	0.0	2.0	6.1	0.0	6.1
32.0	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0	Purchase of Land & Buildings (& bldg. construction)			0.0			0.0			0.0			0.0			0.0
32.0	Purchase of fixed equipment for buildings			0.0			0.0			0.0			0.0			0.0
32.0	Building Renovations/Alterations - Office			0.0			0.0			0.0			0.0			0.0
32.0	Building Renovations/Alterations - Residential			0.0			0.0			0.0			0.0			0.0
	Subtotal OC 32.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
42.0	Claims and indemnities			0.0			0.0			0.0			0.0			0.0
	Subtotal OC 42.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL BUDGET		321.0	0.0	321.0	336.4	0.0	336.4	336.4	0.0	336.4	310.9	0.0	310.9	328.1	0.0	328.1

## Additional Mandatory Information

Dollars Used for Local Currency Purchases

202.7215.3215.3221.3227.0

Exchange Rate Used in Computations

67.35 \_\_\_\_\_67.35 \_\_\_\_\_67.35 \_\_\_\_\_67.35 \_\_\_\_\_67.35 \_\_\_\_\_

\*\* If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.  
On that form, OE funded deposits must equal:

6.2

7.1

7.1

10.2

10.2

Table 7

Organization: USAID/Nepal

Foreign National Voluntary Separation Account									
Action	FY 1999			FY 2000			FY 2001		
	OE	Program	Total	OE	Program	Total	OE	Program	Total
Deposits	25.7	1.3	27.0	27.8	0.0	27.8	28.9	1.3	30.2
Withdrawals	0.0	1.3	1.3	26.6	0.0	26.6	0.0	0.0	0.0

Local Currency Trust Funds - Regular			
	FY 1999	FY 2000	FY 2001
Balance Start of Year	0.0	0.0	0.0
Obligations	0.0	0.0	0.0
Deposits	0.0	0.0	0.0
Balance End of Year	0.0	0.0	0.0

**Exchange Rate**      \_\_\_\_\_

Local Currency Trust Funds - Real Property			
	FY 1999	FY 2000	FY 2001
Balance Start of Year	0.0	0.0	0.0
Obligations	0.0	0.0	0.0
Deposits	0.0	0.0	0.0
Balance End of Year	0.0	0.0	0.0

**Exchange Rate**

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# Annex 1 Environmental Impact

## I.E.E. MATRIX

Project Number & Title	Date of Authorization	Project Assistance Compl. Date	Life of Project Funds (\$ 000)	Environmental Actions	Status
<b><u>SO1</u></b> - Increased Sustainable Production and Sales of Forest and High-Value Agricultural Products					
367-0167 - Sustainable Income and Rural Enterprise (SIRE)	04/21/92	05/31/02	44,700	Negative determination	No further action.
367-0167.72 - Market Access for Rural Development (MARD)	01/25/96	01/25/02	5,115	Intervention A,B - Negative determination Intervention C,D - Categorical exclusion	No further action.
367-0167.75 - Irrigation Management Transfer Project (IMTP)	04/25/95	05/04/01	1,800	Environmental assessment required	Environmental assessment carried out.
367-0167.76 - Environment and Forest Enterprise Activity (EFEA)	09/20/95	05/31/02	3,850	Intervention A,C - Negative determination Intervention B,D,E - Categorical exclusion	No further action.
367-0172 - SO1 Strategic Objective Agreement (SOAG)	04/25/97	09/30/02	25,000		
<b><u>SO2</u></b> - Reduced Fertility and Improved Maternal and Child Health					
367-0157 - Child Survival/Family Planning Services (CS/FPS)	03/27/90	06/30/98	22,325	Categorical exclusion	No further action.
367-0169 - SO2 Strategic Objective Agreement (SOAG)	08/15/96	09/04/02	35,000		
<b><u>SO3</u></b> - Increased Women's Empowerment					
367-0168 – Basic Education Support	08/22/94	12/31/00	10,000	Categorical exclusion	No further action
367-0171 - SO3 Strategic Objective Agreement (SOAG)	09/16/97	09/30/00	10,000		
<b><u>SpO4</u></b> - Increased Private Sector Participation and Investment in Environmentally and Socially Sound Hydropower					
367-0173 - SpO4 Special Objective Agreement (SpOAG)	12/19/97	12/31/00	4,300	Categorical exclusion	No further action.
<b><u>OTHER</u></b>					
367-0152 - Development Training (DTP)	08/15/85	09/30/99	9,305	Categorical exclusion	No further action.

## **Annex 2**

### **Updated Results Framework**

#### **STRATEGIC OBJECTIVE 1:**

##### **Increased Sustainable Production and Sales of Forest and High-Value Agricultural Products**

###### Intermediate Results:

IR 1.1 Expanded Market Participation

IR 1.2 Sustainable Management of the Productive Resource Base

#### **STRATEGIC OBJECTIVE 2:**

##### **Reduced Fertility and Improved Maternal and Child Health**

###### Intermediate Results:

IR 2.1 Increased Use of Quality Family Planning Services

IR 2.2 Increased Use of Selected Maternal and Child Health Services

IR 2.3 Increased HIV/STI Prevention and Control Practices by High-Risk Groups in Targeted Areas

IR 2.4 Strengthened Capacity and Programs to Control Selected Infectious Diseases

#### **STRATEGIC OBJECTIVE 3:**

##### **Increased Women's Empowerment**

###### Intermediate Results:

IR 3.1 Increased Women's Literacy

IR 3.2 Increased Women's Legal Rights Awareness and Advocacy

IR 3.3 Strengthened Women's Economic Participation

#### **SPECIAL OBJECTIVE 4:**

##### **Increase Private Sector Participation and Investment in Environmentally and Socially Sound Hydropower**

###### Intermediate Results:

IR 4.1 Improved Enabling Environment for Private Sector Investment in Hydropower

IR 4.2 Increased Environmental and Social Soundness in Hydropower Investment

## Annex 3

### Global Climate Change

The Mission contributes to USAID's Climate Change Initiative with two major activities. Within Strategic Objective 1: Increased Sustainable Production and Sales of Forest and High Value Agricultural Products, the Mission manages a program to improve the protection and management of Nepal's forests through community forest user groups (CFUGs). The Mission also has a Special Objective for Increased Private Sector Participation and Investment in Environmentally and Socially Sound Hydropower through which it provides technical assistance to the Electricity Development Centre (EDC).

The community forestry program is helping to protect, preserve and improve the management of Nepal's forestlands by transferring control of National Forests to CFUGs. The Ministry of Forests and Soil Conservation (MOFSC) has designated certain National Forest areas which are eligible for transfer to CFUGs. Forest Rangers and other personnel from the MOFSC work with USAID partners to form new CFUGs, train them in democratic procedures, and prepare a sustainable forest management plan for particular areas of the National Forest. When the Forest Management Plans are approved, the areas are turned over to the CFUGs, which take over responsibility for protecting and managing the forest. The program has strong support at the grassroots level. Rural families rely on forests for 90% of their total energy requirements and CFUGs have proven to be an effective way of protecting and managing this resource.

USAID's community forestry programs are concentrated in the Mid-western Development Region. In 1998, Mission support led to the transfer of 23,500 hectares of National Forest land to CFUGs bringing the total area transferred with USAID/Nepal assistance to more than 109,000 hectares. Community forestry programs are also being carried out by the Government of Nepal (GON) and other donors in different areas of the country. The total amount of land transferred by all of the community forestry programs in Nepal currently exceeds 500,000 hectares. The program is also contributing to increased biodiversity as community forest areas provide habitat for plant and animal species which gradually return to this newly protected environment.

USAID's private hydropower development program has been very effective in providing institutional development and training assistance to the Electricity Development Centre (EDC). The EDC is the lead agency for implementation of Nepal's private hydropower development activities. USAID has assisted the EDC in improving methodologies and provided technical assistance for reviewing and negotiating private hydropower agreements, power purchase agreements and related documentation. In 1998, this led to EDC approval of one new \$40 million private hydropower project which will produce an additional 25 Megawatts (MW) of power. This is the third private hydropower project which EDC has approved and brings total private sector investments in hydropower to \$276 million. When these three projects are completed, they will produce 121 MW of hydropower.

USAID technical assistance is also supporting design of the World Bank's new Power Development Project that includes \$175 million for a Power Development Fund (PDF) that will provide up to 25% of the cost of eligible hydropower projects in the future. USAID has

developed a draft RFQ for the Fund Administrator and has also prepared a draft RFQ for two new hydropower projects, which may receive support from the PDF.

### FY 98 USAID-Sponsored Activities that Contribute to Climate Change Initiative

USAID activity name	Location			The Site and USAID's Involvement						Additional info you have
	Country	Region, Province, or State	Site	Principle activities	Area where USAID has initiated activities (hectares) <b>(Indicato r1)</b>	Area where USAID has conserved carbon (hectares)				
						<b>(Indicator 2)</b>				
						Predominate vegetation type	Natural ecosystems <b>(2a)</b>	Predominate managed land type	Managed lands <b>(2b)</b>	
Community Forestry	Nepal	Mid- Western Develop. Region	various	1	11,000	b	11,000	2		1,2
				2	12,500	b		2	12,500	

**Indicator 1: Emissions of CO<sub>2</sub> equivalents avoided**

Country: <b>Nepal</b>	1a. CO <sub>2</sub> emissions avoided through renewable energy activities			1b. CO <sub>2</sub> emissions avoided through end use energy efficiency improvements			1c. CO <sub>2</sub> emissions avoided through energy efficiency improvements in generation, transmission, and distribution (including new production capacity)		
	MW-h produced in electricity generation	Btus produced in thermal combustion	Fuel Type replaced <sup>1</sup>	MW-h saved	Btus saved in thermal combustion	Fuel Type saved <sup>1</sup>	MW-h saved	Btus saved in thermal combustion	Fuel Type saved <sup>2</sup>
Industrial Retrofits				100		Coal			
Private Hydropower Generation Plant (BOOT)	25		wood						

<sup>1</sup> Provide fuel type replaced/saved if known. If not, USAID/W will convert MW-h based on country's 1990 fuel mix levels.

<sup>2</sup> Provide site-specific fuel type information if known. If not, USAID/W will convert MW-h based on country's 1990 fuel mix levels.

**Indicator 4: Dollars leveraged through agreements with USAID donor partners (energy, industry and urban sectors)**

<b>Country: Nepal</b>		<b>Direct Leverage (5a)</b>	<b>Indirect Leverage (5b)</b>
<b>Activity Description</b>	<b>Source of Leveraged Funds</b>		
Private Hydropower Development	Private Firms	\$40 million	
<b>Total</b>		\$40 million	

## **Annex 4**

### **Country Assistance Strategy**

#### **Why review the Current Strategy?**

Events in Nepal since 1995, and the increasing scarcity of USAID resources, call for updating and sharpening USAID's assistance strategy. USAID's assistance activities have been able to achieve steady results which benefit the people of Nepal, in spite of external problems and central government constraints. We have increasingly relied on NGO and third party implementers working at local levels, who are more directly in touch with beneficiaries. Most multilateral and bilateral donors have slowly been moving toward this same strategy, and many are publicly questioning the value of pouring money into Nepal's Central Government institutions with such meager results.<sup>1</sup> This "decentralized and direct" development assistance approach raises fundamental questions about the ability of Nepal to "develop" itself, if external assistance operates around and in spite of a central government exercising diminishing leadership and control.

USAID's assistance levels were relatively steady (in the range of \$25–27 million annually) over the first three years of the current assistance strategy (FY96–FY98), but have been cut by 40% in FY99. This overall reduction masks disproportionate cuts among strategic objectives -HFP funds were "only" cut by 26% and non-HFP funds, which support three of our four objectives, were cut by over 70%. A new strategy needs to be based on more predictable resource levels if USAID is to provide any credible and effective assistance in Nepal outside of the HFP sector.

The U.S. Government needs to observe the 50<sup>th</sup> anniversary of U.S. economic assistance to Nepal in January 2001 with a clear and renewed sense of purpose and a responsible level of assistance for one of the poorest countries in the world.

#### **Changes in Nepal:**

Most of the significant gains from the introduction of democracy and economic liberalization in Nepal in 1990 came during the first four years. Since 1995, economic progress has slowed dramatically, and structural weaknesses have become more apparent. There have been slowdowns in the two major export industries which reach beyond the Indian market -- garments and carpets -- and the private sector has been reluctant to invest due to weak market institutions and political instability. During the last five years there have been six governments, most of them coalitions of various compositions, unable to make or enforce clear policies. These rapid changes at the top of government have led to frequent patronage-driven house-cleanings at lower levels and a general deterioration in morale and discipline at middle and local levels of the civil service. Political instability has also delayed implementation of key reforms, including privatization and tax

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<sup>1</sup> Although there have been quite strong expressions of concern from major donors, the actual levels of commitments have been mixed enough to weaken any intended messages to the GON. The major multi-laterals have cut or deferred some projects, but have not actually enforced performance based lending - yet. The Japanese have declined any increases in assistance until pipeline problems are addressed. Several bilateral donors - Denmark, the U.K. and Norway - are, however, increasing levels of assistance.



rationalization. Government inaction, corruption and decay in the “social contract” are recognized as serious problems which have contributed to frustrations that have fueled a Maoist “People’s War”, which started in a few middle hill districts and has now spread over three years to many more districts.

On the positive side, there are quite strong indications that the May 1999 elections for Parliament will result in a government controlled by a single party with a majority of seats, or at least a more stable coalition. There also seems to be widespread recognition among almost all politicians that the current democratic form of government is running out of time to prove its worth. Combined with the unusually frank positions of many donors and their willingness to more directly coordinate assistance efforts, we may well be entering a window of several years of unusual opportunity for impact on Nepal’s future.

The timing for an updated assistance strategy is good because the GON is now 6 months into its new 5-year development plan. Both the World Bank and the Asian Development Banks have recently completed quite transparent multi-year assistance plans which stress performance based lending, and the British Department for International Development (DFID) has also recently completed its assistance plan. These plans, consultations with the relevant agencies, as well as several relevant sectoral plans, will provide a fertile and current source of information on the development environment within which USAID is working. Nepal’s high level of per capita donor assistance makes effective coordination and allocation of donor funds particularly critical, and the local donor community is making good progress on improved coordination among donors and between donors and the GON.

### **Resource Challenges for USAID and Impacts:**

USAID worldwide, along with many other donors, is facing increasingly severe constraints on its assistance resources. Among geographic regions, the development assistance levels available to the Asia Near East Bureau of USAID, and specifically South Asia, are increasingly limited. In FY99, the need to address the Asian Financial Crisis and the Indonesia collapse created additional short-term problems. In the future, continuing high assistance levels for Indonesia, the possible reopening of a Pakistan program, and “rewards” to India for nuclear restraint, will skew the distribution of the limited Asian bag of resources. Overall reductions will be exacerbated by the disproportionate availability of various funding earmark categories. If taken to an extreme as in FY99, the operational value and political risks of preparing an expansive assistance strategy need to be seriously considered.

In FY99 overall DA funds to Nepal dropped to a level of \$16.6 million, compared to an FY98 level of 27.7 million, a 40% reduction. If disaggregated into CS and POP and non-Pop DA funds, the respective reductions were 26% and 68%. If Nepal receives similar levels and earmark proportions of DA resources in the out years, we need to undertake a radically different and more focused strategy exercise. Many of the areas of potential involvement, which could be considered in a strategy review unconstrained by resources, would require funding from resource categories currently unavailable to Nepal.

**Options:**

At least three options based on resource levels appear worth considering in reviewing our assistance strategy for Nepal:

- (1) Constrained resource levels (equal to FY99 levels or lower) with a heavy proportion (80% plus), although at reduced levels, in Child Survival and Population earmarks.
- (2) Constrained resource levels, but more flexible balance between earmark areas.
- (3) Increased overall resource levels with adequate non-CS and Population funding to support credible programs in EG/AGR/D-G/ENV earmark areas, and restored levels in CS and Population which would support a full range of program commitments.

If Washington feels that option (1) is likely, the Mission must undertake a more focused and lower profile strategy review/formulation exercise to avoid the real costs of creating expectations which will clearly not be met. Most development players in Nepal have not yet internalized the reality of the significant focusing of USAID assistance which took place in 1994/95, nor the limitations of the 50% reductions in our staff which have been made since then. Our image far exceeds our capabilities at this point in time. If there are reasonable expectations that either Option 2 or 3 are possible, then a broader and more public strategy exercise is reasonable and appropriate. If only Option 1 is possible, a much lower key and focused strategy exercise is appropriate which would look at one or two sectors, and plan for a reduced USAID presence in Nepal.

**Status of USAID Program:**

The current USAID assistance strategy was developed during 1994-95 and approved in Washington in early 1995. The strategy represented the first time that the USAID assistance program in Nepal was restructured around a limited number of objectives. An exhaustive and often difficult process of review led to the selection of three Strategic Objectives, which was accompanied by a “close-out” plan to gradually phase out activities that were underway but did not contribute significantly to the new objectives. A fourth area of focus, a Special Objective on Private Sector Hydropower Development was added in 1997, replacing an earlier SPO which was completed.

As summarized in this and previous R4s, the USAID Mission feels that reasonable or more than satisfactory progress has been made in achieving our agreed upon objectives, and that a high level of interactive support among objectives has been achieved.

**Approach:**

The review and development of an assistance strategy for Nepal will be directed locally with substantial input from USAID staff -- both U.S. and Nepali. Limited outside expertise will be introduced where needed, including selected USAID/Washington expertise, local Nepali professionals and short term consultants. The long time frame for this exercise is specifically

designed to allow for maximum local participation and adequate and realistic local consultation and dialogue.

In general, data and information are not in short supply on the situation in Nepal. The opportunity for frank and thoughtful analysis is limited by the constraints of normal workloads. Hopefully, this strategy exercise will provide an opportunity for people to focus on some of the issues important to Nepal's development.

- 1. Parameter Setting with Washington: (April 1999)** Presentation and discussion of R4, discussion of resource possibilities for Nepal and agreement on parameters (resources, sectoral scope, etc.) for strategy.
- 2. Analysis and Review: (May - August, 1999)** Begin to carry out careful reviews of current programs in SO1 and SO2 (including selected evaluations); compile and analyze overall information on development programs and assistance in Nepal; focus on initial analysis of all opportunities in other sectors/sub-sectors identified in parameter setting.
- 3. Decision Making: (September - October 1999)** Carry out more focused programmatic reviews on SO3 and SPO4; based on results from Phase 2 and these new reviews, carry out initial decision making at Mission level after consulting with senior Nepali professionals and donor colleagues on strategy foci and content. Provide tentative summary to Washington as basis for FY2000 decision making.
- 4. Preparation: (November 1999 – March 2000)** Carry out further and broader consultations and planning for assistance strategy outlined in Phase 3. Prepare presentation, supporting analysis and results frameworks for presentation in Washington in early 2000. Carry out any essential prior consultations with Washington colleagues during this period.

#### **Approach to Local Consultations and Dialogue:**

**GON:** Initial discussions have already been held with appropriate central officials of the GON advising them of our plans to review and update our assistance strategy over the coming year. Since they have interacted on varying degrees of intensity with three other major donors in similar exercises over the past year (DFID, World Bank and Asian Development Bank), they are acutely aware of the implications of such exercises. A regular and clear schedule of briefings and consultations will be set with Ministry of Finance and National Planning Commission officials during the strategy review process. Technical ministry and local government partners will be more directly involved in sectoral specific reviews and assessments of ongoing assistance activities.

**Donors:** The donor community in Kathmandu works well together, and has regular formal and informal interactions which ensure that information flows freely, even when consensus decision making may be elusive. Formal meetings of the donor community are co-chaired by the UNDP Resident Representative and the World Bank Representative. More focused sectoral and sub-sectoral working groups function with different degrees of effectiveness. Donor colleagues will be consulted to update our information on programmatic involvement, future plans and the

potential for collaboration and reinforcing assistance efforts. There have been active debates in recent donor meetings on realistic approaches to donor coordination within the framework of host government led development plans. The verdict is still out on the most realistic approach to this challenge.

**Partners:** USAID has an extensive set of partners in Nepal, spanning almost all sectors of development activity and kept current and strong by our engagement with domestic and international NGOs in most of our activities. This network will be consulted and heavily involved in the process of reviewing, deliberating, and deciding on a new strategy. Involvement and communication with partner representatives from outside Nepal, as well as USAID/Washington colleagues and team members, will also be drawn upon for needed expertise and critical input into the review of a new strategy.

**Customers:** Development agencies and the proponents of the People's War in Nepal are competing for the support, allegiance and interest of many of the same customers in rural Nepal. It is unclear who is winning more converts at this point in time. The needs, views and experience of our many customers will be taken strongly into account during the process of reviewing our assistance strategy through direct interaction and indirect consultations.

## **Annex 6:**

### **Changes in Performance Indicators**

Based on the guidance from Washington on reviewing our Performance Monitoring Plans and streamlining our R4 indicator selection, USAID/Nepal staff and partners have enthusiastically reviewed, scrubbed and improved on indicators and in some cases adjusted targets based on several years of tracking experience. The following summarizes the changes made or proposed. In most cases these have been discussed with or previously communicated to Washington technical colleagues.

#### **Strategic Objective 1: Increased Sustainable Production and Sales of Forest and High-Value Agricultural Products**

Several changes are being considered for the wording and number of indicators to be used at the SO level. Our e-mail of 3/8/99 outlines the proposed changes and we are awaiting Washington agreement.

Previous SO-level Indicators:

- 1.1 Annual production of forest and high-value agricultural commodities in target areas
- 1.2 Annual sales of forest and high-value agricultural commodities in target areas
- 1.3 Forest/Pasture Biomass produced
- 1.4 Fertilizer Application Rate

Proposed SO-level Indicators:

- 1.1 Annual sales of high-value agricultural, livestock and forest commodities in target areas
- 1.2 Forest/Pasture Biomass produced

It was decided that the previous Indicator 1.1, on production, did not provide much information in addition to that from the previous sales Indicator 1.2. There is a good deal of overlap between the production and sales and if production is increasing and is being sold (and we do want increased production to be sold), sales should increase also. We plan to drop production and report only on sales in the future.

It is also proposed to change the sales indicator 1.2 to include the word “livestock. Our partners have already been including livestock sales data as part of agricultural sales, because Nepalese farms are mixed crop and livestock enterprises. The Market Access for Rural Development (MARD) activity has also always included a livestock component. The inclusion of the word “livestock” makes the indicator more transparent.

We are also proposing to insert the word “annual” in the title of previous Indicator 1.3 to make the meaning of the indicator clearer. The data in any case have always been annual.

It was determined that the previous Indicator 1.4, on the application of organic fertilizer, should be dropped. The partners agreed that it was difficult and costly to collect the data for this new indicator and that the information was not particularly useful for management of the program. Given the strong feelings of the partners and the fact that SO1 had not really begun to collect data on this new indicator which was added to the results framework last year, it was decided to drop this new indicator.

There are two changes to IR level indicators in this year's R4.

Indicator 1.1.1 now reads "Farm and Forest Households Producing High-Value Products in Target Areas." Partners are now reporting the number of "households" producing high-value products in target areas instead of the number of "individuals". This reflects the consensus that "households" is a more realistic measure as program customers are frequently from the same family.

Indicator 1.2.1 now reads "Community Forest and Irrigation User Groups Formed with Management Plans in Target Areas". Previously, the indicator included only community forest user groups. This change makes the indicator more reflective of USAID's impact on the formation of various groups that are protecting, preserving and managing Nepal's natural resources.

Several Intermediate Result indicators are under review and these changes will be reported in next year's R4.

There are no changes made or proposed in indicators or targets for **Strategic Objective 2** since these were thoroughly reviewed and improved last year.

### **Strategic Objective 3: Empowerment of Women**

The women's empowerment objective, next year, will continue to report on the number of women passing a literacy test, and the number of women actively saving. Performance data tables will also be provided for the number of women passing a legal rights test (reflecting the results of the major program initiative for 1999) and the number of collective actions for social change (representing the first SO level impact).

Adjustments to performance indicators at the IR level, including the addition of new indicators, are being reviewed and changes will be reported in next year's R4.

### **Special Objective 4: Increased Private Sector Participation and Investment in Environmentally and Socially Sound Hydropower**

Several changes have been proposed to restructure the results framework of this special objective. Our e-mail of 3/9/99 explains this decision and we are awaiting an agreement from Washington on the proposed clarifying and simplifying changes.

The original framework for SpO4 was as follows:

#### SO Level Indicators:

- 4.1 Private sector companies progressing toward hydropower investment
- 4.2 Private financial commitments for environmentally and socially sound hydropower project development

#### Intermediate Results:

- 4.1 Improved Enabling Environment for Private Sector Investment in Hydropower
  - 4.1.1 Improvements for the hydropower investment process
- 4.2 Increased Environmental and Social Soundness in Hydropower Investment
  - 4.2.1 Environmental/social Impact Assessments for hydropower projects implemented by international standards (IBRD)
  - 4.2.2 Public hearings for hydropower projects conducted with local stakeholders and NGOs

The new proposed framework is:

#### SO-level Indicators:

- 4.1 Private financial commitments for environmentally and socially sound hydropower project development
- 4.2 Environmental/Social Impact Assessments for hydropower proposals

#### Intermediate Results:

- 4.1 Improved Enabling Environment for Private Sector Investment in Hydropower
  - 4.1.1 Private sector projects progressing toward hydropower investments
- 4.2 Increased Environmental and Social Soundness in Hydropower Investment
  - 4.2.1 Public hearings for hydropower projects conducted with local stakeholders and NGOs

We propose eliminating one of the 5 original indicators for SpO4, resulting in two indicators at the objective level and one each at the intermediate result level. Our rationale for the changes are as follows:

1. At the SO level, we currently have two indicators, 4.1 "Private sector companies progressing towards hydropower investment." and 4.2 "Private financial commitments for environmentally and socially sound hydropower project development." We concluded that 4.1 is better suited to the intermediate result level as its achievement leads to the higher objective of private financial commitments for hydropower development.

The old 4.1 has been moved to the IR level and recast as 4.1.1 "Private sector projects (rather than companies) progressing towards hydropower investments." The former 4.2 becomes the new 4.1 and the description is slightly modified by deleting "environmentally and socially sound" from

the sentence.

2. The former 4.2.1 "Environmental/Social Impact Assessments for hydropower projects...." is moved up to the SO level because we thought it is a better indicator at the SO level which indicates that investments made will be environmentally and socially sound. It now becomes the new 4.2 "Environmental/Social Impact Assessments for hydropower proposals."

As a result of these changes, the former IR4.1.1 "Improvements for the hydropower investment process" becomes redundant vis-a-vis the new IR4.1.1 "Private sector projects progressing towards hydropower investments." and so is dropped.